



**TENDER NOTICE  
CEYLON PETROLEUM CORPORATION  
(CEYPETCO)**

**BID FOR THE SUPPLY OF**

**2,240,000 BBLs +10/-5% GAS OIL (0.05% MAX SULPHUR)**

**REF: BK/TERM/GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R**

**FOR  
DUAL BERTH DELIVERY AT  
DOLPHIN TANKER BERTH, COLOMBO AND  
SPM MUTHURAJAWELA, COLOMBO**

CHAIRMAN,  
SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC)  
C/O. DEPUTY GENERAL MANAGER (COMMERCIAL & SUPPLY CHAIN)  
07<sup>TH</sup> FLOOR,  
CEYLON PETROLEUM CORPORATION  
No. 609, DR. DANISTER DE SILVA MAWATHA,  
COLOMBO 09,  
SRI LANKA.

07/11/2019



**INVITATION FOR BIDS  
CEYLON PETROLEUM CORPORATION (CEYPETCO)**

**BID FOR THE SUPPLY OF CARGOES OF  
GAS OIL (0.05% MAX SULPHUR)  
ON DELIVERED AT PLACE (DAP) (INCOTERMS 2010)**

**FOR DUAL BERTH DELIVERY AT**

**DOLPHIN TANKER BERTH, COLOMBO  
AND  
SPM MUTHURAJAWELA, COLOMBO**

**FOR THE PERIOD OF EIGHT (08) MONTHS FROM 01/03/2020 TO 31/10/2020**

**REF: BK/TERM/GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R**

**SECTION 1 – INSTRUCTIONS TO BIDDERS (ITB)**

**1.1. INTRODUCTION**

THE CHAIRMAN, SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC), ON BEHALF OF CEYLON PETROLEUM CORPORATION (HEREINAFTER REFERRED TO AS CEYPETCO) RE-INVITES FIRM OFFERS FROM THE SUPPLIERS **REGISTERED WITH CEYPETCO** UNDER THE RELEVANT PRODUCT FOR THE SUPPLY OF CARGOES OF GAS OIL (0.05% MAX SULPHUR) ON **DAP COLOMBO BASIS (INCOTERMS 2010)** FOR DISCHARGE OF FULL CARGO OF EACH SHIPMENT FOR DUAL BERTH DELIVERY AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO DURING THE PERIOD OF EIGHT (08) MONTHS COMMENCING FROM **01<sup>ST</sup> MARCH 2020** TO **31<sup>ST</sup> OCTOBER 2020**.

INTERESTED SUPPLIERS MAY REQUEST FURTHER INFORMATION / CLARIFICATIONS FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION [TEL: 0094-115664649; FAX: 0094-115455406; EMAIL: cm@ceypetco.gov.lk, commercial@ceypetco.gov.lk]

**1.2. ISSUE OF BIDDING DOCUMENT**

LOCAL AGENTS OF THE REGISTERED SUPPLIERS COULD OBTAIN THE BIDDING DOCUMENT FROM THE COMMERCIAL MANAGER BETWEEN 0900 HRS. AND 1500 HRS. (SRI LANKA TIME) ON ANY WORKING DAY COMMENCING FROM **07<sup>TH</sup> NOVEMBER 2019** TO **09<sup>TH</sup> DECEMBER 2019**.

OR

REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEYPETCO WEB SITE [www.ceypetco.gov.lk](http://www.ceypetco.gov.lk)

### **1.3. ELIGIBILITY FOR BIDDING**

ONLY THE SUPPLIERS WHO HAVE CURRENTLY BEEN REGISTERED WITH CEYPETCO UNDER THE RELEVANT PRODUCT ARE ELIGIBLE TO SUBMIT BIDS. **THOSE SUPPLIERS WHO ARE SUSPENDED BY CEYPETCO ARE NOT ELIGIBLE FOR BIDDING.**

### **1.4. SUBMISSION OF BIDS**

PLEASE REFER CLAUSE 2.24.

### **1.5. LOCAL AGENT**

PLEASE REFER CLAUSE 2.10.

### **1.6. AWARD OF THE TENDER**

PLEASE REFER CLAUSE 2.14.

### **1.7. PRICING METHODOLOGY / CURRENCY**

ALL VALUES SHOULD BE INDICATED IN UNITED STATES DOLLARS (USD).

### **1.8. BID SECURITY GUARANTEE**

1.8.1. PRIOR TO THE BID OPENING, BIDDERS SHALL ESTABLISH **A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS THREE HUNDRED THOUSAND (USD 300,000/=)** 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**

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.

1.8.2. THE BID SECURITY GUARANTEE SHALL BE VALID FOR MINIMUM HUNDRED AND EIGHTEEN (118) DAYS FROM THE DATE OF CLOSING OF THE BID (I.E. UP TO 06<sup>TH</sup> APRIL 2020). **THE FORMAT OF BID SECURITY GUARANTEE IS ANNEXED HERETO AS ANNEX - 'A'.**

1.8.3. FAILURE TO SUBMIT THE BID SECURITY GUARANTEE, INCONFORMITY WITH THE BID REQUIREMENT ON OR BEFORE THE CLOSING TIME OF BID, WILL RESULT IN THE BID BEING REJECTED. CEYPETCO SHALL BE ENTITLED TO CALL ON 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.

1.8.4. THE BID SECURITY GUARANTEE OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER THE SUBMISSION OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO CALL ON THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE

SUCCESSFUL BIDDER, WITHIN A PERIOD OF FOURTEEN (14) DAYS SUBSEQUENT TO WRITTEN INSTRUCTION FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.

### **1.9. PRE-BID MEETING**

**A PRE-BID MEETING WILL NOT BE HELD FOR THIS TERM TENDER.**

### **1.10. CORRECTION OF ERRORS**

WHERE THERE IS A DISCREPANCY BETWEEN THE AMOUNT IN FIGURES AND IN WORDS, THE AMOUNT IN WORDS WILL GOVERN.

## **SECTION 2 - TERMS & CONDITIONS OF THE BID**

### **2.1. BUYER**

CEYLON PETROLEUM CORPORATION (CEYPETCO),  
NO. 609,  
DR. DANISTER DE SILVA MAWATHA,  
COLOMBO 09,  
SRI LANKA.

### **2.2. CONTRACTUAL CARGO QUANTITIES**

2.2.1. TOTAL QUANTITY OF THE PRODUCT REQUIRED UNDER THIS CONTRACT FOR THE EIGHT (08) MONTHS PERIOD COMMENCING FROM **01<sup>ST</sup> MARCH 2020** TO **31<sup>ST</sup> OCTOBER 2020** IS AS FOLLOWS.

| PRODUCT                        | QUANTITIES TO BE DELIVERED / PURCHASED |                         | NO. OF SHIPMENTS |
|--------------------------------|--|-------------------------|------------------|
|                                | TOTAL CONTRACTUAL QUANTITY             | PER SHIPMENT QUANTITY   |                  |
| GAS OIL<br>(0.05% MAX SULPHUR) | 2,240,000 BBLs<br>+10/-5%              | 280,000 BBLs<br>+10/-5% | 8                |

2.2.2. EACH SHIPMENT SHALL BE AS PER THE QUANTITY STIPULATED IN **ANNEX - 'B'** WHERE TOTAL CARGO SIZE IS 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%).

2.2.3. THE QUANTITY OF THE PRODUCT SHALL BE LOADED WITHIN THE PLUS TEN/MINUS FIVE PERCENT (+10/-5%) TOLERANCE.

2.2.4. ANY DEVIATION TO THE PLUS TEN/MINUS FIVE PERCENT (+10/-5%) TOLERANCE WILL ONLY BE CONSIDERED UNDER SPECIAL CIRCUMSTANCES, ON MUTUAL AGREEMENT BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.

### **2.3. DELIVERY**

**THE TWO DAY DELIVERY LAYCAN SHALL BE COMMENCED FROM 0001 HRS OF THE FIRST DAY OF THE DELIVERY LAYCAN UP TO THE 2400 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN.**

2.3.1. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE GIVEN QUANTITY OF CARGO AS SPECIFIED IN **ANNEX - 'B'** WHICH WILL BE INFORMED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER/BIDDER **THIRTY (30) DAYS** PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN.

- 2.3.2. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE GIVEN A TWO DAY DELIVERY LAYCAN WHICH WILL BE INFORMED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER/BIDDER, THIRTY (30) DAYS PRIOR TO THE FIRST DAY OF THE SAID DELIVERY LAYCAN. HOWEVER, UNDER SPECIAL CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL TAKE EVERY ENDEAVOR TO DELIVER A CARGO EVEN NOTICE OF LESS THAN THIRTY (30) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. THE SUCCESSFUL SUPPLIER/BIDDER TO MUTUALLY DISCUSS AND AGREE WITH THE DELIVERY DATES IF NOTICE IS LESS THAN THIRTY (30) DAYS.
- 2.3.3. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DISCHARGE THE FULL CARGO AS GIVEN IN **ANNEX - 'B'** EITHER DUAL BERTH AT BOTH DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO OR SINGLE BERTH AT DOLPHIN TANKER BERTH, COLOMBO OR SPM MUTHURAJAWELA, COLOMBO.
- 2.3.4. CEYPETCO SHALL NOTIFY THE SUCCESSFUL SUPPLIER/ BIDDER ABOUT THE PREFERRED DISCHARGING OPTION OF CARGO I.E. EITHER DUAL BERTH DISCHARGE AT BOTH DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO OR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO OR SPM MUTHURAJAWELA, COLOMBO UPON ARRIVAL OF THE VESSEL AT COLOMBO.
- 2.3.5. CPC RESERVES THE RIGHT TO ORDER EVEN THREE CARGOES PER MONTH GIVING NOTICE WITH SUFFICIENT TIME TO THE SUCCESSFUL BIDDER FOR EACH CARGO. IF TWO OR THREE CARGOES ARE REQUESTED IN A PARTICULAR MONTH, NOTICE SHALL BE GIVEN FORTY (40) DAYS PRIOR TO THE 1<sup>ST</sup> DAY OF THE TWO DAY DELIVERY LAYCAN OF THE SECOND AND THIRD CARGOS ENABLING THE SUCCESSFUL SUPPLIER/BIDDER TO ARRANGE THE CARGOS AND THE VESSELS FOR DELIVERY AT COLOMBO.

#### **2.4. QUALITY**

BIDDER SHALL ENSURE THAT THE PRODUCT OFFERED ARE IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN **ANNEX - 'C'**. **BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN ANNEX - 'E-1' FOR GAS OIL (0.05% MAX SULPHUR) AND SUBMIT ALONG WITH THE BID.**

#### **2.5. SOURCE OF SUPPLY**

- 2.5.1. THE COUNTRY OF ORIGIN & THE PORT OF SHIPMENT OF THE PRODUCT SHALL BE CLEARLY INDICATED FOR EACH SHIPMENT.
- 2.5.2. CEYPETCO PREFERS TO BUY GAS OIL (0.05% MAX SULPHUR) DIRECTLY FROM REFINERIES.
- 2.5.3. ON BOARD BLENDING OF PRODUCT(S) ARE STRICTLY PROHIBITED.
- 2.5.4. IF THE PRODUCT IS PURCHASED FROM A THIRD PARTY, THE FULL DETAILS OF THE THIRD PARTY INCLUDING THE ORIGINAL SOURCE OF PURCHASE SHALL BE CLEARLY INDICATED FOR EACH SHIPMENT.

## **2.6. MODE OF LOADING**

- 2.6.1. UNDER EACH AND EVERY SHIPMENT THE PRODUCT SHALL BE LOADED ON TO THE NOMINATED VESSEL **ONLY FROM SHORE TANKS** AND THE **SHIP TO SHIP TRANSFER OF PRODUCT IS STRICTLY PROHIBITED.**
- 2.6.2. UNDER NO CIRCUMSTANCES THE PRODUCT SHALL BE LOADED TO THE SLOP TANKS OF THE VESSEL. THE PRODUCT LOADING PLAN SHALL BE PROVIDED TO CEYPETCO INDICATING ALL NOMINATED TANKS.

## **2.7. INSPECTION**

### **2.7.1. INSPECTION AT LOAD PORT**

- 2.7.1.1. 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 THE PRODUCT FOR INCONFORMITY WITH THE TENDER SPECIFICATIONS AND THE QUANTITY FOR INCONFORMITY WITH THE TENDER CONDITIONS. THEY SHOULD PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRYOUT THE INSPECTION AND TO PREPARE THE QUALITY AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.
- 2.7.1.2. CEYPETCO RESERVES THE RIGHT TO NOMINATE A SECOND INSPECTION COMPANY AT ITS SOLE DISCRETION TO WITNESS THE QUALITY & QUANTITY OF THE PRODUCT AT LOAD PORT AS AND WHEN REQUIRED AT **ITS OWN COST.**
- 2.7.1.3. 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 AT THE LOAD PORT. 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 PER SUB CLAUSE 2.7.1.1. AND THE SECOND INSPECTOR IF NOMINATED BY CEYPETCO AS PER SUB CLAUSE 2.7.1.2.

IN CASE CEYPETCO REQUESTS, THE INDEPENDENT INSPECTOR AT LOAD PORT IS ALSO RESPONSIBLE TO SEND A SHIP'S COMPOSITE SAMPLE WITH SUFFICIENT QUANTITY AT THE EARLIEST POSSIBLE TIME AFTER LOADING THE VESSEL TO REACH CPSTL LABORATORY AT COLOMBO VIA AIR FREIGHT. IN THIS CASE, ALL RELATED COST SHALL BE UNDER CEYPETCO ACCOUNT.

- 2.7.1.4. 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 PRODUCT SHALL BE TESTED IN ACCORDANCE WITH GOOD INDUSTRY STANDARDS AND PRACTICES, USING INTERNATIONALLY ACCEPTED SAMPLING

AND ANALYTICAL / TESTING METHODS STIPULATED IN RELEVANT SPECIFICATION SHEETS.

2.7.1.5. 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 ACTG. COMMERCIAL MANAGER OF CEYPETCO THROUGH E-MAIL, BEFORE COMMENCEMENT OF LOADING.

2.7.1.6. THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT VESSEL LOADS ONLY THE PRODUCT THAT MEETS 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 THAT ARE ON SPECIFICATIONS.

IF THE LOAD PORT QUALITY CERTIFICATES OF THE PRODUCT DOES NOT MEET THE CEYPETCO CONTRACTUAL SPECIFICATIONS, CEYPETCO SHALL COMMUNICATE THE REJECTION OF SUCH PRODUCT WITH REASONS WITHIN A REASONABLE TIME PERIOD AFTER THE SUCCESSFUL SUPPLIER/BIDDER HAS SENT THE QUALITY CERTIFICATES THROUGH E-MAIL.

UNDER NO CIRCUMSTANCES THE LOADING SHALL BE DELAYED, IF ALL THE PARAMETERS OF LOAD PORT QUALITY CERTIFICATES FOR THE PRODUCT IS ON SPECIFICATIONS.

2.7.1.7. CEYPETCO SHALL PROVIDE AT LEAST THREE (03) E-MAIL ADDRESSES FOR SUCH CORRESPONDENCE TO THE SUCCESSFUL SUPPLIER/ BIDDER AND THE SUCCESSFUL SUPPLIER/ BIDDER SHALL SEND THE QUALITY CERTIFICATES TO ALL THREE E-MAIL ADDRESSES PROVIDED BY THE BUYER FOR THE SAID PURPOSE.

2.7.1.8. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL LOAD THE CARGO COMPLYING WITH CEYPETCO TENDER SPECIFICATION AT THEIR OWN RISK.

2.7.1.9. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE BOUND TO PROVIDE A TANK CLEANLINESS & DRY CERTIFICATE SIGNED BY THE INDEPENDENT INSPECTOR CERTIFYING THE INSPECTION AND WITNESSING, ENSURING DRY AND CLEANLINESS OF THE VESSEL'S TANKS & LINES BEFORE LOADING AND VESSEL'S TANKS FACILITIES SUCH AS PIPELINES, PUMPS AND STRAINERS TO BE CLEANED, DRY AND SUITABLE FOR GAS OIL (0.05% MAX SULPHUR) THROUGH THE INDEPENDENT INSPECTOR.

2.7.1.10. IT IS EXTREMELY IMPORTANT TO SUBMIT THE ABOVE CERTIFICATE TO CEYPETCO BY THE SUCCESSFUL SUPPLIER/BIDDER THROUGH INDEPENDENT INSPECTOR PRIOR TO COMMENCEMENT OF LOADING. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE RESPONSIBLE TO LOAD THE CARGO INTO THE CLEAN AND DRY TANKS OF THE VESSEL AS CERTIFIED BY THE INDEPENDENT INSPECTOR.

- 2.7.1.11. IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, INDEPENDENT INSPECTOR SHALL PROVIDE QUALITY CERTIFICATES IN RESPECT OF EACH AND EVERY SHORE TANK.
- 2.7.1.12. THE COST OF INSPECTION AT LOAD PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.
- 2.7.1.13. QUANTITIES MENTIONED IN THE BILLS OF LADING (B/Ls) AT RESPECTIVE LOAD PORTS SHALL BE BINDING ON BOTH PARTIES.
- 2.7.1.14. IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/ BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE CLAUSE 2.7.1.1., THE SUCCESSFUL SUPPLIER/ BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR FROM COMPANIES LISTED UNDER THE SAID CLAUSE. UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.

## **2.7.2. INSPECTION AT DISCHARGE PORT**

- 2.7.2.1. DISCHARGE PORT INDEPENDENT INSPECTOR SHALL BE DIFFERENT TO THAT OF THE LOAD PORT.
- 2.7.2.2. THE QUALITY AT DISCHARGE PORT COLOMBO SHALL BE DETERMINED BY CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) LABORATORY AND WITNESSED BY THE INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM / SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS) AT COLOMBO AND ONE REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL BIDDER. SUCH DETERMINATIONS SHALL BE BASED ON THE RECOGNISED CARGO ANALYSIS CARRIED OUT BY THE CPSTL LABORATORY. THE CERTIFICATE OF QUALITY ISSUED BY CPSTL LABORATORY AS WITNESSED BY THE INDEPENDENT INSPECTOR AT COLOMBO BASED ON SUCH RECOGNISED CARGO ANALYSIS SHALL BE BINDING ON BOTH PARTIES.

CEYPETCO SHALL RESERVE THE RIGHT TO DEPLOY ITS OWN REPRESENTATIVE/S TO WITNESS THE SAMPLING / TESTING PERFORMED AT THE VESSEL / CPSTL LABORATORY.

- 2.7.2.3. A SHIP TANK COMPOSITE SAMPLE WITH ADEQUATE QUANTITY FOR THE 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 AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER. SAMPLES SHALL BE PROPERLY SEALED AND AUTHENTICATED BY THE INDEPENDENT INSPECTOR, VESSEL'S MASTER OR REPRESENTATIVE OF THE MASTER AND REPRESENTATIVES OF THE CEYPETCO / CPSTL AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER.

SUCH SAMPLE WILL BE ANALYZED AT THE CPSTL LABORATORY ACCORDING TO CONTRACTUAL SPECIFICATION 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.

- 2.7.2.4. UNDER NO CIRCUMSTANCES A REPRESENTATIVE OF THE SUCCESSFUL SUPPLIER/BIDDER FROM AN INSPECTION COMPANY AND AN EMPLOYEE OF THE INSPECTION COMPANY AS MENTIONED UNDER SUB CLAUSE 2.7.2.2. WILL BE ALLOWED.
- 2.7.2.5. UNDER NO CIRCUMSTANCES A PROTECTIVE INSPECTOR WILL BE ALLOWED TO THE SUCCESSFUL SUPPLIER/BIDDER OTHER THAN THE MUTUALLY AGREED INDEPENDENT INSPECTOR.
- 2.7.2.6. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DECLARE IN THE BID THAT THE CERTIFICATE OF QUALITY AT DISCHARGE PORT FOR THE PRODUCT SHALL BE ON THE BASIS OF SHIP TANK COMPOSITE SAMPLE TAKEN ON ARRIVAL OF THE VESSEL AT DISCHARGE PORT AS PER THE SUB CLAUSE 2.7.2.3.
- 2.7.2.7. HOWEVER, IN THE EVENT THE FIRST COMPOSITE SAMPLE DOES NOT MEET THE CONTRACTUAL SPECIFICATIONS, THE INDEPENDENT INSPECTOR WILL BE REQUESTED TO DRAW A SECOND SET OF SAMPLES FROM VESSEL'S INDIVIDUAL TANKS IN THE PRESENCE OF REPRESENTATIVES FROM CEYPETCO/CPSTL, A REPRESENTATIVE FROM THE SUCCESSFUL SUPPLIER/ BIDDER'S CARGO INSURER, TWO REPRESENTATIVES FROM THE SUCCESSFUL SUPPLIER/ BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION & INDEMNITY INSURANCE (P&I CLUB).

SUCH INDIVIDUAL SAMPLE WILL BE ANALYZED AT THE LABORATORY OF CPSTL ACCORDING TO THE 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. ALL REPRESENTATIVES WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATES ISSUED BY CPSTL LABORATORY.

- 2.7.2.8. IF THE SPECIFICATION OF THE PRODUCT DEVIATED FROM THE CEYPETCO STANDARD SPECIFICATIONS, CEYPETCO RESERVES THE RIGHT TO REJECT THE PRODUCT.
- 2.7.2.9. UNDER NO CIRCUMSTANCES ANY TESTING RESULTS FROM ANY OTHER LABORATORIES OTHER THAN THE CPSTL LABORATORY SHALL BE ENTERTAINED FOR FINAL DETERMINATION OF THE QUALITY OF THE SUBJECT CARGO.
- 2.7.2.10. IN THE EVENT OF 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. IN CASE IT IS DECIDED TO ACCEPT PART CARGO DISCHARGE, THEN LAYTIME AND DEMURRAGE TO BE PRO-RATED IN LINE WITH THE QUANTITY OF CARGO DISCHARGED. THE TIME PERIOD BETWEEN FIRST REJECTION OF THE CARGO OR PART CARGO AND RECOMMENCEMENT OF THE LAYTIME FOR THE PART CARGO SHALL NOT BE COUNTED AS USED LAYTIME.

- 2.7.2.11. THE QUALITY CERTIFICATE AT DISCHARGE PORT, COLOMBO SHALL BE ISSUED BY THE INDEPENDENT INSPECTOR BASED ON THE TEST REPORT OF CPSTL LABORATORY.
- 2.7.2.12. DISCHARGE OF VESSEL SHALL COMMENCE ONLY AFTER THE CERTIFICATE OF QUALITY AT DISCHARGE PORT, AS ISSUED BY INDEPENDENT INSPECTOR BASED ON THE TESTS REPORTS OF CPSTL LABORATORY COUNTERSIGNED BY CEYPETCO'S REPRESENTATIVE IS IN POSSESSION OF THE SUCCESSFUL SUPPLIER'S/ BIDDER.
- 2.7.2.13. THE QUANTITY OF THE PRODUCT AT THE DISCHARGE PORT COLOMBO SHALL 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.

- 2.7.2.14. 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.
- 2.7.2.15. THE COST OF INSPECTION, INCLUDING COST FOR TESTING OF SECOND COMPOSITE SAMPLE PAYABLE TO INDEPENDENT INSPECTOR AT DISCHARGE PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.

### **2.7.3. RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO DUE TO UNACCEPTABLE QUALITY**

- 2.7.3.1. IF THE QUALITY OF THE PRODUCT AT THE DISCHARGE PORT DOES NOT MEET / COMPLY WITH THE CONTRACTUAL SPECIFICATIONS SPECIFIED UNDER ANNEX - 'C' WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO SUB CLAUSE 2.7.2.7. CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT ON BOARD THE VESSEL OR PART OF THE CONSIGNMENT AS THE CASE MAY BE.

IN SUCH A CASE THE SELLER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF THE SUCCESSFUL SUPPLIER/BIDDER WITHOUT ANY ADDITIONAL COST TO THE CEYPETCO WITHIN THE TIME SPECIFIED BY CEYPETCO SUBJECT TO PAYMENT OF ZERO POINT ONE PERCENT (0.1%) OF THE DAP "VALUE OF THE REJECTED CARGO" PER DAY PRO-RATA BASIS BY THE SUCCESSFUL SUPPLIER/ BIDDER TO CEYPETCO 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 NOR TENDERED TIME) DURING THE NEW LAYCAN SUBJECT TO THE MAXIMUM OF TWENTY (20) DAYS. VALUE OF THE REJECTED CARGO SHALL BE DETERMINED, BASED ON THE B/L

QUANTITY, THE FIRST DAY OF THE AGREED TWO DAY DELIVERY LAYCAN OF THE REJECTED CARGO AND AS PER THE PRICING CLAUSE OF THE TENDER. 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.

THE CONSENT FOR THE SUPPLY OF REPLACEMENT CARGO SHALL BE COMMUNICATED IN WRITING BY THE SUCCESSFUL SUPPLIER/BIDDER TO CEYPETCO WITHIN FORTY EIGHT (48) HOURS OF SUCH REQUEST BY CEYPETCO.

- 2.7.3.2. IN THE EVENT REJECTION OF THE FINAL CARGO RESULTING IN THE DELAY OF REPLACEMENT CARGO UNDER THIS TERM CONTRACT, THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE BOUND TO EXTEND THE VALIDITY OF THE PERFORMANCE SECURITY GUARANTEE UP TO THE DATE DETERMINED BY CEYPETCO AS REQUIRED.
- 2.7.3.3. THE PRICING OF THE REPLACEMENT CARGO SHALL BE DETERMINED AS PER THE MONTHLY AVERAGE PRICE OF THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE REPLACEMENT CARGO AT COLOMBO PLUS PREMIUM/DISCOUNT. THE CALCULATION OF THE VALUE OF THE REPLACEMENT CARGO SHALL BE AS PER THE CLAUSE 2.9. UNDER THE HEADING "PRICE / INTEREST / PAYMENT".
- 2.7.3.4. IN THE EVENT, FAILURE BY THE SUCCESSFUL BIDDER / SUPPLIER TO PROVIDE A REPLACEMENT CARGO, CEYPETCO RESERVES THE RIGHT TO TERMINATE THE CONTRACT AND TO CALL ON THE PERFORMANCE GUARANTEE.
- 2.7.3.5. FOR THE REPLACEMENT CARGO, THE SAME TERMS AND CONDITIONS OF THIS TENDER SHALL BE APPLICABLE IN ALL ASPECTS INCLUDING QUALITY, DELIVERY AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO.
- 2.7.3.6. IN THE EVENT THE CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO REQUEST A REPLACEMENT CARGO FOR THE PRODUCT, A RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO SHALL BE ONE POINT FIVE PERCENT (1.5%) OF DAP VALUE OF THE PRODUCT OF REJECTED CARGO AND THE SAME SHALL BE RECOVERED FROM THE LETTER OF CREDIT (L/C) OF THE BALANCE ACCEPTED CARGO ON-BOARD THE SAME VESSEL.

IN THE EVENT THE SUCCESSFUL BIDDER / SUPPLIER DOES NOT AGREE TO RECOVER THE DAMAGES OR LOSSES FOR CEYPETCO FROM THE LETTER OF CREDIT (L/C) OF THE BALANCE ACCEPTED CARGO IMPOSED BY CEYPETCO INCLUDING THE LAST CARGO OF THIS TENDER, CEYPETCO SHALL RESERVE THE RIGHT TO RECOVER THE DAMAGES OR LOSSES FOR CEYPETCO FROM THE PERFORMANCE SECURITY GUARANTEE.

IN THE EVENT THE SUCCESSFUL BIDDER / SUPPLIER DOES NOT AGREE TO DEDUCT SUCH DAMAGES OR LOSSES FOR CEYPETCO FROM THE LETTER OF CREDIT (L/C) OF THE BALANCE ACCEPTED CARGO PERTAINING TO SUBJECT DELIVERY OR THE L/C OF THE SUBSEQUENT SHIPMENT OR DOES NOT AGREE TO SETTLE DIRECTLY TO CEYPETCO AS CLAIMED BY CEYPETCO INCLUDING THE LAST CARGO OF THIS TENDER, IT SHALL BE CONSIDERED AS THE NON

PERFORMANCE OF THE CONTRACT. MOREOVER CEYPETCO SHALL RESERVE THE RIGHT TO RECOVER SUCH DAMAGES OR LOSSES FOR CEYPETCO SO ACCUMULATED FROM THE PERFORMANCE SECURITY GUARANTEE AT THE END OF THE CONTACT.

## **2.8. OUT-TURN LOSS**

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 BY INDEPENDENT INSPECTORS (GEO-CHEM / ITS CALEB BRETT / SB ASIA – SAYBOLT / SGS / BUREAU VERITAS) AT DISCHARGE PORT, COLOMBO THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DEDUCT THE EXCESS LOSS AND / OR FREE FLOWING PRODUCT LEFT ON BOARD FROM THE B/L QUANTITY FOR INVOICE PURPOSES.

## **2.9. PRICE / PAYMENT / INTEREST**

### **2.9.1. PAYMENT IN THIRTY (30) DAYS - OPTION -1**

2.9.1.1. DAP COLOMBO PRICE FOR **GAS OIL (0.05% MAX SULPHUR)** SHALL BE CALCULATED AS FOLLOWS:

PRICE OFFERED FOR GAS OIL (0.05% MAX SULPHUR) IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE MONTHLY AVERAGE OF THE MIDS OF FOB SINGAPORE PRICE OF GAS OIL 500PPM PUBLISHED UNDER THE HEADING “**PLATTS SINGAPORE MIDDLE DISTILLATES ASSESSMENTS**”, IN PLATTS MARKET SCAN OVER THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST THIRTY (30) DAYS INTEREST FREE CREDIT PERIOD.

### **2.9.2. PAYMENT IN HUNDRED AND EIGHTY (180) DAYS - OPTION -2**

2.9.2.1. DAP COLOMBO PRICE FOR **GAS OIL (0.05% MAX SULPHUR)** SHALL BE CALCULATED AS FOLLOWS:

PRICE OFFERED FOR GAS OIL (0.05% MAX SULPHUR) IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE MONTHLY AVERAGE OF THE MIDS OF FOB SINGAPORE PRICE OF GAS OIL 500PPM PUBLISHED UNDER THE HEADING “**PLATTS SINGAPORE MIDDLE DISTILLATES ASSESSMENTS**”, IN PLATTS MARKET SCAN OVER THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST THIRTY (30) DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST FOR THE EXTENDED CREDIT PERIOD AFTER THIRTY (30) DAYS TO HUNDRED AND EIGHTY (180) DAYS BASED ON A MARGIN OVER SIX MONTHS LIBOR - USD AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. IF THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN IS A NON-BANKING DAY IN LONDON, THEN SIX (06) MONTHS LIBOR (U.S. DOLLAR) QUOTE WILL BE THE FOLLOWING LONDON BANKING DAY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. LC AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

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

- 2.9.3. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS EITHER BY BANK OF CEYLON OR PEOPLE'S BANK BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, AT LEAST TWELVE (12) CALENDAR DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO.

THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE BUSINESS DAYS AFTER RECEIPT OF THE NOMINATION FOR EACH AND EVERY CARGO UNDER THIS TERM CONTRACT.

- 2.9.4. PREMIUM FOR THE PRODUCT AND THE INTEREST RATE APPLICABLE OVER LIBOR SHALL BE FIXED THROUGHOUT THE EIGHT (08) MONTHS FOR CONTRACT PERIOD.
- 2.9.5. 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 CREDIT PERIOD UNDER 2.9.1. & 2.9.2. ABOVE FOR THE PURPOSE OF INTEREST CALCULATION SHALL BE ADJUSTED AS PER PAYMENT DUE DATE BEING AFFECTED UNDER THIS CONDITION.
- 2.9.6. IN THE EVENT THAT CEYPETCO SHALL REMIT ANY MONIES DUE AND PAYABLE TO THE SUCCESSFUL SUPPLIER'S / BIDDER'S BANK ACCOUNT ON A DATE AFTER THE DUE DATE SPECIFIED FOR PAYMENT, THEN INTEREST SHALL BE CHARGED AT PREVAILING MONTHLY AVERAGE LIBOR (US DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS PLUS A PREMIUM OF TWO PERCENT (2%) PER ANNUM, ON ALL AMOUNTS REMAINING OUTSTANDING FOR THE PERIOD FROM THE DATE PAYMENT WAS DUE TO THE DATE OF THE SUCCESSFUL SUPPLIER'S / BIDDER'S RECEIPT OF PAYMENT.
- 2.9.7. FINAL UNIT PRICE FOR THE 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.
- 2.9.8. PAYMENT WILL BE MADE THIRTY (30) DAYS (OPTION -1) OR HUNDRED AND EIGHTY (180) DAYS (OPTION -2) 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 OUT SIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER / BIDDER. CONFIRMATION CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT.
- 2.9.9. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- 2.9.9.1. MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE B/L QUANTITY IN US BARRELS @ 60 °F (IN AIR).

- 2.9.9.2. 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.
- 2.9.9.3. CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCT SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
- 2.9.9.4. CERTIFICATE OF QUANTITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.9.9.5. CERTIFICATE OF ORIGIN ISSUED BY SELLER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE SUCH CERTIFICATE SHALL NOT BE ISSUED BY COUNTRIES WHICH COMES UNDER SANCTION IMPOSED BY UNITED STATES / UNITED NATIONS/ EUROPEAN UNION.
- 2.9.9.6. TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
- 2.9.9.7. CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR BASED ON THE REPORT OF TESTS CONDUCTED BY CEYLON PETROLEUM STORAGE TERMINALS LIMITED, CONFIRMING THAT THE PRODUCT SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
- 2.9.9.8. CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.9.9.9. THE NEGOTIATION OF LETTER OF CREDIT (L/C) UPON PRESENTATION OF LETTER OF INDEMNITY (LOI) IN LIEU OF ABOVE ORIGINAL SHIPPING DOCUMENTS IS PERMITTED FOR THE SUCCESSFUL SUPPLIER / BIDDER SUBJECT TO;
  - 2.9.9.9.1. PRESENTATION OF BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE.
  - 2.9.9.9.2. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.
  - 2.9.9.9.3. PRESENTATION OF TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN & DRY PRIOR TO LOADING
  - 2.9.9.9.4. PRESENTATION OF QUALITY AND OUT-TURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.

2.9.9.5. OBTAINING PRIOR APPROVAL OF CEYPETCO FOR SUCH LOI FORMAT.

**2.10. LOCAL AGENT & LOCAL AGENCY COMMISSION**

OFFER SHOULD INDICATE THE LOCAL AGENT'S NAME, ADDRESS AND 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 TOTAL DAP COLOMBO VALUE AND PAID IN SRI LANKA RUPEES.

IT IS REQUIRED TO SUBMIT THE REGISTRATION CERTIFICATE OF LOCAL AGENT ISSUED BY REGISTRAR OF PUBLIC CONTRACT OF SRI LANKA IN TERMS OF THE PUBLIC CONTRACT ACT NO. 3 OF 1987 ON SUBMISSION OF FORM PCA3.

**2.11. TITLE AND RISK**

TITLE AND RISK/PROPERTY OF THE PRODUCTS SUPPLIED UNDER THE TERMS OF THIS TENDER SHALL PASS ON TO CEYPETCO AT THE DISCHARGE PORT WHEN PRODUCT PASSES THE SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL'S PERMANENT HOSE/DISCHARGING ARM CONNECTION.

**2.12. PERFORMANCE SECURITY GUARANTEE**

- 2.12.1. 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, WITHIN FOURTEEN (14) DAYS OF SUCH NOTIFICATION, ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYPETCO AND PAYABLE TO THE CEYPETCO ON DEMAND TO THE VALUE OF IN **UNITED STATES DOLLARS ONE MILLION (USD 1,000,000/=)**.
- 2.12.2. THE PERFORMANCE SECURITY GUARANTEE SHOULD BE VALID FOR **NINETY (90) DAYS** (I.E. UP TO 29<sup>TH</sup> JANUARY 2021) BEYOND THE SCHEDULED CONTRACT COMPLETION DATE.
- 2.12.3. THE SUCCESSFUL SUPPLIER/BIDDER SHOULD STRICTLY ADHERE TO **THE FORMAT OF PERFORMANCE SECURITY GUARANTEE WHICH IS ANNEXED HERETO AS ANNEX - 'D'**.
- 2.12.4. **THE SUCCESSFUL SUPPLIER/BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN ITS OFFER THAT THEY PROVIDE A PERFORMANCE SECURITY GUARANTEE UPON THE AWARD. FAILURE TO COMPLY WITH THIS REQUIREMENT SHALL BE CONSIDERED AS A MAJOR DEVIATION RESULTING TO AWARD BEING CANCELLED WHILE THE BID SECURITY GUARANTEE BEING FORFEITED.**
- 2.12.5. IF THE SUCCESSFUL SUPPLIER / BIDDER, FAILS TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS AFORESAID, ITS NAME COMPELLED TO BE PLACED IN THE LIST OF DEFAULTING CONTRACTORS. CEYPETCO SHALL THEREFORE, RESERVE THE RIGHT, IN ITS ABSOLUTE DISCRETION TO MAKE SUITABLE ARRANGEMENTS REQUIRED FOR THE PERFORMANCE OF SUCH TENDER.

2.12.6. 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 BID SECURITY GUARANTEE, SHALL BE FORFEITED.

2.12.7. THE LETTER OF CREDIT FOR THE FIRST SHIPMENT WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYPETCO.

**2.13. CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO FOR LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED**

2.13.1. ANY CLAIM WHATSOEVER ARISING BETWEEN THE PARTIES TO THIS AGREEMENT, UNDER THE TERMS OF THIS AGREEMENT SHALL BE LODGED IN WRITING WITHIN SIXTY (60) DAYS OF RECEIPT OF PRODUCT BY CEYPETCO OR IN THE CASE THE CARGO IS NOT DELIVERED TO CEYPETCO WITHIN SIXTY (60) DAYS OF THE LAST DATE OF DELIVERY LAYCAN AS NOTIFIED BY CEYPETCO. OTHERWISE ANY SUCH CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED.

2.13.2. EVERY ENDEAVOUR SHALL BE MADE TO SETTLE ANY DIFFERENCE OR DISPUTE BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER / BIDDER ARISING FROM ANY TRANSACTION BY MUTUAL NEGOTIATIONS, FAILING WHICH SUCH DIFFERENCES OR DISPUTES SHALL BE SETTLED BY ARBITRATION.

2.13.3. THE VENUE OF ARBITRATION SHALL BE COLOMBO, SRI LANKA.

2.13.4. THE ARBITRATION SHALL FOLLOW UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (**UNCITRAL**) PROCEDURES.

2.13.5. THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH. THE ARBITRATION TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS, ONE TO BE APPOINTED BY THE SUCCESSFUL SUPPLIER/ BIDDER, ONE BY CEYPETCO AND THE TWO ARBITRATORS THUS APPOINTED SHALL CHOOSE THE THIRD ARBITRATOR.

2.13.6. THIS TENDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SRI LANKA EXCLUDING ANY CONFLICT OF LAWS AND RULES.

2.13.7. ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER.

2.13.8. THE SUCCESSFUL SUPPLIER / BIDDER IS FULLY RESPONSIBLE TO DELIVER THE CARGO WITHIN THE AGREED UPON DELIVERY DATE /LAYCAN. FAILURE TO COMPLY WITH THE AGREED UPON DELIVERY DATE /LAYCAN WILL MAKE **THE SUCCESSFUL SUPPLIER / BIDDER LIABLE FOR LIQUIDATED DAMAGES OF ZERO POINT TWO FIVE PERCENT (0.25%) OF THE DAP VALUE PER DAY PRO-RATA FOR EACH DAY OF DELAY AFTER 2400 HRS OF THE LAST DAY OF THE TWO DAY DELIVERY LAYCAN UNTILL VESSEL TENDER NOR AT DISCHARGE PORT AT COLOMBO. IF THE DELAY EXCEEDS SIX (6) DAYS AFTER THE LAST DATE OF THE AGREED DELIVERY LAYCAN WITHOUT OBTAINING PRIOR APPROVAL, CEYPETCO WILL RESERVE THE RIGHT TO TERMINATE THE CONTRACT.**



2.13.9. THE SUCCESSFUL SUPPLIER / BIDDER IS FULLY RESPONSIBLE TO DELIVER THE AGREED QUANTITY OF CARGO UNDER EACH SHIPMENT. IN THE EVENT OF FAILURE TO DELIVER THE AGREED QUANTITY BELOW MINUS FIVE PERCENT (-5%) (CONTRACTUAL PER SHIPMENT QUANTITY VS. B/L QUANTITY) AS PER IN **ANNEX – ‘B’**, THE SUCCESSFUL SUPPLIER / BIDDER WILL BE HELD LIABLE FOR THE PAYMENT OF DAMAGES OR LOSSES TO CEYPETCO **AT THE RATE OF USD 10,000 PER EACH 1,000 MT OF SHORT LOADED QUANTITY OF THE PRODUCT OR PART THEREOF ON PRO-RATA BASIS.**

2.13.10. IF THE SUCCESSFUL SUPPLIER / BIDDER FAILS TO DELIVER ANY FULL SHIPMENT UNLESS AGREED FOR AN ALTERNATIVE, CEYPETCO WILL RESERVE THE RIGHT TO ENCASH THE PERFORMANCE SECURITY GUARANTEE.

#### **2.14. AWARD OF THE TENDER**

2.14.1. CEYPETCO RESERVES TO ITSELF THE RIGHT TO CANCEL THE TENDER OR TO REJECT ANY PART OF THE TENDER OR REJECT THE TENDER WITHOUT ASSIGNING ANY REASON WHATSOEVER. IN SUCH AN EVENT CEYPETCO SHALL NOT BE LIABLE TO ANY COMPENSATION OR DAMAGES ARISING THEREFROM.

2.14.2. SELECTION OF EITHER OPTION - 1 [PAYMENT IN THIRTY (30) DAYS] OR OPTION - 2 [PAYMENT IN HUNDRED AND EIGHTY (180) DAYS] OF THE TENDER AT ITS SOLE DISCRETION OF THE SSCAPC.

2.14.3. WHERE THE TENDER IS AWARDED, SUCH AWARD SHALL BE IN ACCORDANCE WITH THESE TERMS AND CONDITIONS NOTWITHSTANDING ANY VARIATION IN THE OFFER THEREFROM UNLESS EXPRESSLY AND SPECIFICALLY PROVIDED FOR OTHERWISE IN THE COMMUNICATION OF THE AWARD.

2.14.4. THE SUCCESSFUL SUPPLIER/ BIDDER, ON RECEIPT OF THE AWARD, SHALL FORTHWITH ACKNOWLEDGE AND CONFIRM ACCEPTANCE OF SAME BY FAX / EMAIL AND PROCEED TO TAKE ALL STEPS THAT ARE NECESSARY TO ENSURE PERFORMANCE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE TENDER.

#### **2.15. DELIVERY OF PRODUCT AT COLOMBO**

**THE TWO DAY DELIVERY LAYCAN SHALL BE COMMENCED FROM 0001 HRS. OF THE FIRST DAY OF THE DELIVERY LAYCAN UP TO THE 2400 HRS. OF THE SECOND DAY OF THE DELIVERY LAYCAN.**

##### **2.15.1. DELIVERY OF PRODUCTS FOR SINGLE BERTH AT DOLPHIN TANKER BERTH, COLOMBO**

2.15.1.1. FOR EACH SHIPMENT, A TWO DAY DELIVERY LAYCAN AT DOLPHIN TANKER BERTH, COLOMBO WILL BE NOTIFIED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER/ BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE DELIVERY LAYCAN. IT IS IMPERATIVE THAT EACH SHIPMENT IS DELIVERED IN COLOMBO DURING THE DELIVERY LAYCAN NOTIFIED BY CEYPETCO IN ONE TANKER IN ONE LOT. HOWEVER, UNDER SPECIAL CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL TAKE EVERY ENDEAVOR TO DELIVER A CARGO EVEN NOTICE OF LESS THAN THIRTY (30) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. THE SUCCESSFUL SUPPLIER / BIDDER TO MUTUALLY DISCUSS AND AGREE WITH THE DELIVERY DATES IF NOTICE IS LESS THAN THIRTY (30) DAYS.

- 2.15.1.2. DELIVERY OF PRODUCTS SHOULD BE MADE ON DAP COLOMBO BASIS (INCOTERMS 2010) IN TOTAL AVERAGE CARGO SIZE OF 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) AT THE TWO DAY DELIVERY LAYCAN INDICATED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER / BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE SAID DELIVERY LAYCAN.
- 2.15.1.3. CEYPETCO RESERVES THE RIGHT TO ORDER EVEN THREE CARGOES PER MONTH GIVING NOTICE WITH SUFFICIENT TIME TO THE SUCCESSFUL BIDDER FOR EACH CARGO. IF TWO OR THREE CARGOES ARE REQUESTED IN A PARTICULAR MONTH, NOTICE SHALL BE GIVEN FORTY (40) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE SECOND AND THIRD CARGOS ENABLING THE SUCCESSFUL SUPPLIER/BIDDER TO ARRANGE THE CARGOS AND THE VESSELS FOR DELIVERY AT COLOMBO.
- 2.15.2. DELIVERY OF PRODUCTS FOR SINGLE BERTH AT SPM MUTHURAJAWELA, COLOMBO**
- 2.15.2.1. FOR EACH SHIPMENT, A TWO DAY DELIVERY LAYCAN AT SPM MUTHURAJAWELA, COLOMBO WILL BE NOTIFIED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER / BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE SAID DELIVERY LAYCAN. IT IS IMPERATIVE THAT EACH SHIPMENT IS DELIVERED IN COLOMBO DURING THE DELIVERY LAYCAN NOTIFIED BY CEYPETCO IN ONE TANKER IN ONE LOT. HOWEVER, UNDER SPECIAL CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL TAKE EVERY ENDEAVOR TO DELIVER A CARGO EVEN NOTICE OF LESS THAN THIRTY (30) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. THE SUCCESSFUL SUPPLIER/BIDDER TO MUTUALLY DISCUSS AND AGREE WITH THE DELIVERY DATES IF NOTICE IS LESS THAN THIRTY (30) DAYS.
- 2.15.2.2. DELIVERY OF PRODUCTS SHOULD BE MADE ON DAP COLOMBO BASIS (INCOTERMS 2010) IN TOTAL AVERAGE CARGO SIZE 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) AT THE TWO DAY DELIVERY LAYCAN INDICATED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER / BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE SAID DELIVERY LAYCAN.
- 2.15.2.3. CEYPETCO RESERVES THE RIGHT TO ORDER EVEN THREE CARGOES PER MONTH GIVING NOTICE WITH SUFFICIENT TIME TO THE SUCCESSFUL BIDDER FOR EACH CARGO. IF TWO OR THREE CARGOES ARE REQUESTED IN A PARTICULAR MONTH, NOTICE SHALL BE GIVEN FORTY (40) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE SECOND AND THIRD CARGOS ENABLING THE SUCCESSFUL SUPPLIER/BIDDER TO ARRANGE THE CARGOS AND THE VESSELS FOR DELIVERY AT COLOMBO.
- 2.15.3. DELIVERY OF PRODUCTS FOR DUAL BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO & SPM MUTHURAJAWELA, COLOMBO**
- 2.15.3.1. FOR EACH SHIPMENT, A TWO DAY DELIVERY LAYCAN FOR DUAL BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO WILL BE NOTIFIED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER / BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE SAID DELIVERY LAYCAN. IT IS IMPERATIVE THAT EACH SHIPMENT IS DELIVERED IN COLOMBO DURING THE DELIVERY LAYCAN NOTIFIED BY

CEYPETCO IN ONE TANKER IN ONE LOT. HOWEVER, UNDER SPECIAL CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL TAKE EVERY ENDEAVOR TO DELIVER A CARGO EVEN NOTICE OF LESS THAN THIRTY (30) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN. THE SUCCESSFUL SUPPLIER/BIDDER TO MUTUALLY DISCUSS AND AGREE WITH THE DELIVERY DATES IF NOTICE IS LESS THAN THIRTY (30) DAYS.

2.15.3.2. DELIVERY OF PRODUCTS SHOULD BE MADE ON DAP COLOMBO BASIS (INCOTERMS 2010) IN TOTAL AVERAGE CARGO SIZE OF 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) AT THE TWO DAY DELIVERY LAYCAN INDICATED BY CEYPETCO TO THE SUCCESSFUL SUPPLIER / BIDDER, THIRTY (30) DAYS BEFORE THE FIRST DAY OF THE SAID DELIVERY LAYCAN.

2.15.3.3. CEYPETCO RESERVES THE RIGHT TO ORDER EVEN THREE CARGOES PER MONTH GIVING NOTICE WITH SUFFICIENT TIME TO THE SUCCESSFUL BIDDER FOR EACH CARGO. IF TWO OR THREE CARGOES ARE REQUESTED IN A PARTICULAR MONTH, NOTICE SHALL BE GIVEN FORTY (40) DAYS PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE SECOND AND THIRD CARGOS ENABLING THE SUCCESSFUL SUPPLIER/BIDDER TO ARRANGE THE CARGOS AND THE VESSELS FOR DELIVERY AT COLOMBO.

## **2.16. LAYTIME FOR DISCHARGE AT COLOMBO**

### **2.16.1. LAYTIME FOR DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO**

LAYTIME FOR THE DISCHARGE OF TOTAL AVERAGE CARGO QUANTITY OF 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) IN FULL AT DOLPHIN TANKER BERTH, COLOMBO SHALL BE **96 HRS** AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

2.16.1.1. NOTICE OF READINESS (NOR) SHOULD BE TENDERED BETWEEN 0700 AND 1700 HRS DURING DELIVERY LAYCAN AGREED UPON. 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 SIX (6) HRS. THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.1.2. IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN AGREED UPON, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FIRST DAY OF THE LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.1.3. IF THE VESSEL IS MOORED PRIOR TO THE DELIVERY LAYCAN AGREED UPON, AT THE REQUEST OF THE SUCCESSFUL SUPPLIER/ BIDDER THE LAYTIME SHALL COMMENCE AT 0700 HRS ON THE FIRST DAY OF THE LAYCAN.

2.16.1.4. IF NOR IS TENDERED AFTER 1700 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND LAYTIME

SHALL COMMENCE SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.1.5. IF NOR IS TENDERED AFTER THE SECOND DAY OF THE DELIVERY LAYCAN AGREED UPON, LAYTIME SHALL COMMENCE AT THE TIME OF BERTHING SUBJECT TO THE CONDITION THAT THE LAYTIME SHALL CEASED TO COUNT IF THE VESSEL SHALL BE UN-BERTHED TO ALLOW BERTHING OF OTHER VESSELS ARRIVING ON AGREED DELIVERY LAYCAN OR BERTHING OF OTHER VESSELS ON PRODUCT AVAILABILITY BASIS OF THE COUNTRY. UNDER THESE CIRCUMSTANCES, THE ACTUAL TIME UTILISED BY THE VESSEL AT THE BERTH SHALL ONLY BE CONSIDERED AS USED LAYTIME.

**2.16.2. LAYTIME FOR DISCHARGE AT SPM MUTHURAJAWELA, COLOMBO**

LAYTIME FOR THE DISCHARGE TOTAL AVERAGE CARGO QUANTITY OF 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) IN FULL AT SPM MUTHURAJAWELA, COLOMBO SHALL BE **96 HRS.** AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

2.16.2.1. NOR SHOULD BE TENDERED BETWEEN 0600 AND 1500 HRS DURING DELIVERY LAYCAN AGREED UPON. 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 SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.2.2. IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN AGREED UPON, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FIRST DAY OF THE LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE SIX (6) HRS. THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.2.3. IF THE VESSEL IS MOORED PRIOR TO THE DELIVERY LAYCAN AGREED UPON, AT THE REQUEST OF THE SUCCESSFUL SUPPLIER/ BIDDER THE LAYTIME SHALL COMMENCE AT 0600 HRS ON THE FIRST DAY OF THE LAYCAN.

2.16.2.4. IF NOR IS TENDERED AFTER 1500 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.16.2.5. IF NOR IS TENDERED AFTER THE SECOND DAY OF THE DELIVERY LAYCAN AGREED UPON, LAYTIME SHALL COMMENCE AT THE TIME OF BERTHING SUBJECT TO THE CONDITION THAT THE LAYTIME SHALL CEASED TO COUNT IF THE VESSEL SHALL BE UN-BERTHED TO ALLOW BERTHING OF OTHER VESSELS ARRIVING ON AGREED DELIVERY LAYCAN OR BERTHING OF OTHER VESSELS ON PRODUCT AVAILABILITY BASIS OF THE COUNTRY. UNDER THESE CIRCUMSTANCES, THE ACTUAL TIME UTILISED BY THE VESSEL AT THE BERTH SHALL ONLY BE CONSIDERED AS USED LAYTIME.

2.16.2.6. BERTHING OF TANKERS 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).

**2.16.3. LAYTIME FOR DUAL BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO**

LAYTIME FOR THE DUAL BERTH DISCHARGE TOTAL AVERAGE CARGO QUANTITY OF 280,000 BARRELS PLUS TEN/MINUS FIVE PERCENT (+10/-5%) AT DOLPHIN TANKER BERTH, COLOMBO OR SPM MUTHURAJAWELA, COLOMBO SHALL BE **96 HRS.** AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

2.16.3.1. IF THE FIRST BERTH IS DOLPHIN TANKER BERTH, LAYTIME STARTS AS PER CLAUSE 2.16.1. GIVEN ABOVE AND IF THE FIRST BERTH IS SPM MUTHURAJAWELA, LAYTIME STARTS AS PER CLAUSE 2.16.2. GIVEN ABOVE.

2.16.3.2. SAILING TIME EITHER FROM SPM MUTHURAJAWELA TO DOLPHIN TANKER BERTH OR VICE VERSA SHALL NOT BE COUNTED AS USED LAYTIME.

2.16.3.3. BERTHING OF TANKERS 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).

**2.17. NOTICE OF ARRIVAL AT COLOMBO**

MASTER OF VESSEL SHOULD ADVISE ESTIMATED TIME OF ARRIVAL (ETA) AT COLOMBO 3/2/1 DAYS and 12 HOURS IN ADVANCE TO THE COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION TEL NOS. +94-11-5664649 FAX NOS. +94-11-5455406/5455400 E-MAIL: cm@ceypetco.gov.lk, commercial@ceypetco.gov.lk, THE MANAGER (SHIPPING), CEYLON PETROLEUM CORPORATION TEL NO. +94-11-5455300 FAX NO. +94-11-5455407 E-MAIL: shipping@ceypetco.gov.lk, THE ACTNG. MANAGER (OPERATIONS), CEYLON PETROLEUM CORPORATION FAX NO. +94-11-5455432 E-MAIL: menakaj@ceypetco.gov.lk, THE MANAGER (OPERATIONS) AT OIL FACILITIES OFFICE, CPSTL, COLOMBO TEL NO. +94-11-2422388 / FAX +94-11-2434273, THE OPERATIONS MANAGER (BULK MOVEMENTS AND BULK PRODUCTS), CPSTL, COLOMBO TEL/FAX NO. +94-11-2572324 AND THE MANAGER (OPERATIONS), MUTHURAJAWELA TEL NO. +94-11-5769519 FAX NO. +94-11-5353352 VIA VESSEL AGENT AT COLOMBO.

**2.18. VESSEL REQUIREMENTS**

**2.18.1. REQUIREMENTS OF TANKERS FOR DISCHARGING OF PRODUCT VIA DOLPHIN TANKER BERTH, COLOMBO**

VESSEL NOMINATED

2.18.1.1. SHOULD MEET FOLLOWING COLOMBO PORT RESTRICTION:

|              |   |                |
|--------------|---|----------------|
| 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. |

- 2.18.1.2. SHALL NOT EXCEED 20 YEARS OF AGE. UNDER NO CIRCUMSTANCES VESSELS OVER 20 YEARS OF AGE WILL BE ACCEPTED. ACCEPTABLE CAP RATING OF THE VESSEL IS 0 OR 1 FOR HULL AND MACHINERY.
- 2.18.1.3. SHOULD BE A CLEAN TANKER WHICH HAS CARRIED CLEAN PETROLEUM PRODUCTS ON THE LAST THREE VOYAGES. (OBO CARRIERS ARE NOT ACCEPTABLE).
- 2.18.1.4. SHOULD BE CAPABLE OF DISCHARGING A CARGO OF GAS OIL (0.05% MAX SULPHUR) SIMULTANEOUSLY THROUGH TWO ADJOINING MANIFOLDS AT A MINIMUM DISCHARGING RATE OF 270 M<sup>3</sup> PER HOUR AND 400 M<sup>3</sup> PER HOUR THROUGH TWO LINES OF 10 INCH AND 12 INCH DIAMETER RESPECTIVELY WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS FROM 10.0 KG/CM<sup>2</sup> TO 12.5 KG/CM<sup>2</sup> RESPECTIVELY. TWO NUMBERS MANIFOLD CONNECTIONS WILL BE PROVIDED FOR THE DISCHARGE OF PRODUCT SIMULTANEOUSLY THROUGH TWO NUMBERS 6 INCH LOADING / DISCHARGING ARMS.
- 2.18.1.5. SHOULD BE CAPABLE OF FLUSHING BOTH 10 INCH & 12 INCH LINES EACH HAVING, 7,000 METER LENGTH, DISCHARGE LINE WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF THE PRODUCT.
- 2.18.1.6. SHOULD BE EQUIPPED WITH DOUBLE VALVE SEGREGATION WHICH WILL HAVE TO BE CONFIRMED BY THE INDEPENDENT INSPECTORS.
- 2.18.1.7. AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING / REPORTING FACILITIES SHALL BE PREFERRED.
- 2.18.1.8. SHOULD HAVE ALL VALID CERTIFICATES REQUIRED UNDER THE INTERNATIONAL AND NATIONAL RULES AND REGULATIONS APPLICABLE AND SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.
- 2.18.1.9. SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.
- 2.18.1.10.A DOCUMENT FROM VESSEL OWNERS CONFIRMING THAT THE VESSEL COMPLIES WITH ALL THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.18.1.1. TO SUB CLAUSE 2.18.1.9. AND THE LATEST UPDATED QUESTIONNAIRE 88 SHOULD BE FURNISHED AT THE TIME OF VESSEL NOMINATION.

2.18.1.11. IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT COLOMBO DUE TO VESSEL'S NON-COMPLIANCE WITH THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.18.1.1. TO SUB CLAUSE 2.18.1.10. THE SELLER WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.

2.18.1.12. ACCOMMODATION/MEALS

2.18.1.12.1. FOLLOWING PERSONNEL WOULD STAY ON BOARD THROUGHOUT THE PERIOD OF TANKER MADE FAST AT DOLPHIN TANKER BERTH.

2.18.1.12.1.1. TWO LOADING MASTERS

2.18.1.12.1.2. ONE SAMPLE COLLECTOR (CREW)

2.18.1.12.1.3. ONE INDEPENDENT INSPECTOR (JUNIOR OFFICER)

2.18.1.12.1.4. ONE INTERNAL AUDITOR FROM CPSTL

2.18.1.12.2. PROPER ACCOMMODATION ON OFFICERS' DECK SHOULD BE ARRANGED FOR LOADING MASTERS, INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL.

2.18.1.12.3. MEALS FOR LOADING MASTERS, INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL SHOULD BE SERVED IN OFFICERS' DINING SALOON.

2.18.1.13. THERE SHALL BE NO INSPECTION / SURVEY ON BOARD WHILE DISCHARGING.

2.18.1.14. AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/ BIDDER.

**2.18.2. REQUIREMENTS OF TANKERS FOR DISCHARGING OF PRODUCT VIA SPM MUTHURAJAWELA, COLOMBO**

VESSEL NOMINATED

2.18.2.1. SHOULD MEET FOLLOWING RESTRICTIONS AT SPM MUTHURAJAWELA, COLOMBO (DUAL PATH BUOY)

|                    |   |                             |
|--------------------|---|-----------------------------|
| 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 |

2.18.2.2. SHALL NOT EXCEED 20 YEARS OF AGE. UNDER NO CIRCUMSTANCES VESSELS OVER 20 YEARS OF AGE WILL BE ACCEPTED. ACCEPTABLE CAP RATING OF THE VESSEL IS **0 OR 1** FOR HULL AND MACHINERY.

- 2.18.2.3. SHOULD BE A CLEAN TANKER, WHICH HAS CARRIED CLEAN PETROLEUM PRODUCTS ON THE LAST THREE VOYAGES (OBO CARRIERS ARE NOT ACCEPTABLE).
- 2.18.2.4. SHOULD BE CAPABLE OF DISCHARGING GAS OIL (0.05% MAX SULPHUR) THROUGH 12 INCH PORT MANIFOLD AT A MINIMUM DISCHARGE RATE OF 1,200 M<sup>3</sup> PER HOUR THROUGH 12 INCH FLOATING HOSE, WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS FROM 5.0 KG/CM<sup>2</sup>.
- 2.18.2.5. SHOULD BE CAPABLE OF FLUSHING THE 18 INCH, 7,000 METER LENGTH, DISCHARGE LINE WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF THE PRODUCT.
- 2.18.2.6. SHOULD BE EQUIPPED WITH DOUBLE VALVE SEGREGATION WHICH WILL HAVE TO BE CONFIRMED BY THE INDEPENDENT INSPECTORS.
- 2.18.2.7. AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING / REPORTING FACILITIES SHALL BE PREFERRED.
- 2.18.2.8. THE VESSEL SHOULD HAVE ALL VALID CERTIFICATES REQUIRED UNDER THE INTERNATIONAL AND NATIONAL RULES AND REGULATIONS APPLICABLE AND SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.
- 2.18.2.9. SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.
- 2.18.2.10.A DOCUMENT FROM VESSEL OWNERS CONFIRMING THAT THE VESSEL COMPLIES WITH ALL THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.18.2.1. TO SUB CLAUSE 2.18.2.9. AND THE LATEST UPDATED QUESTIONNAIRE 88 SHOULD BE FURNISHED AT THE TIME OF VESSEL NOMINATION.
- 2.18.2.11.IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT COLOMBO DUE TO VESSEL'S NON-COMPLIANCE WITH THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.18.2.1. TO SUB CLAUSE 2.18.2.10. THE SELLER WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.
- 2.18.2.12.VESSEL MOORING EQUIPMENTS AND MANIFOLDS SHOULD CONFORM TO OCIMF STANDARDS.

2.18.2.13.MANIFOLD

MANIFOLD LOCATION - MIDSHIP (PORT SIDE)  
 MANIFOLD CONNECTION - ONE 12 INCH STUDED CAMLOCK FLANGE ANSI CLASS 150

2.18.2.14.DETAILS OF DERRICK AT MANIFOLD LOCATION

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



2.18.2.15. MOORING EQUIPMENT, MOORING AND TOWING ARRANGEMENT

2.18.2.15.1. TANKER SHOULD BE FITTED WITH A CENTRAL BOW STOPPER (CHAIN STOPPER) OF 100 TONS SWL FOR OCIMF CHAFE CHAIN "B"

2.18.2.15.2. TANKER SHOULD BE FITTED WITH A CENTRAL BOW FAIR LEAD (BULL RING) MEASURING AT LEAST 600 MM X 450 MM

2.18.2.15.3. POSITION OF PEDESTAL ROLLER FAIRLEAD/WINCH DRUM

2.18.2.15.3.1. SHOULD BE A CONTINUATION OF THE DIRECT LEAD LINE BETWEEN THE BOW FAIRLEAD (BULL RING) AND BOW CHAIN STOPPER.

2.18.2.15.3.2. SHOULD BE NOT LESS THAN 4.5 METRES DIRECTLY BEHIND THE BOW CHAIN STOPPER.

2.18.2.15.3.3. SHOULD BE AT SUCH A HEIGHT THAT FAIRLEAD ROLLERS WILL ENABLE AN UNRESTRICTED LINE PULL TO BE ACHIEVED.

2.18.2.15.4. PEDESTAL FAIRLEAD SHOULD BE FITTED FOR LEAD TO WINCH/WINDLASS.

2.18.2.15.5. 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.

2.18.2.15.6. TANKER SHOULD HAVE A "PANAMA" LEAD RIGHT AFT ON ITS CENTRE LINE.

2.18.2.15.7. A GOOD TOW ROPE (POLYPROPYLENE) OF 10" CIRCM 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.

2.18.2.15.8. MOORING MASTERS SHOULD HAVE FREE ACCESS TO NAVIGATIONAL CHARTS AND EQUIPMENTS REQUIRED FOR MOORING OPERATION.

2.18.2.15.9. WHEEL HOUSE TO BE KEPT OPEN THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.

2.18.2.15.10.A FORE-CASTLE WATCHMAN TO BE MADE AVAILABLE BY THE TANKER THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.

2.18.2.15.11.ALL TOOLS REQUIRED FOR CONNECTION/DISCONNECTION OF CARGO HOSE TO BE SUPPLIED BY THE TANKER.

2.18.2.15.12.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.

2.18.2.15.13.TANKER'S MAIN ENGINE SHOULD BE KEPT READY THROUGHOUT THE PERIOD OF STAY AT THE BUOY FOR MANEUVERING PROMPTLY ON NOTICE.

#### 2.18.2.16.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.

#### 2.18.2.17.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.

#### 2.18.2.18.ACCOMMODATION/MEALS

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

2.18.2.18.1.1. TWO MOORING MASTERS (SENIOR MASTER MARINERS)

2.18.2.18.1.2. ONE CARGO RECEIVER

2.18.2.18.1.3. ONE LOADING MASTER

2.18.2.18.1.4. ONE SAMPLE COLLECTOR (CREW)

2.18.2.18.1.5. ONE INDEPENDENT INSPECTOR (JUNIOR OFFICER)

2.18.2.18.1.6. ONE INTERNAL AUDITOR FROM CPSTL

2.18.2.18.2. PROPER ACCOMMODATION ON OFFICERS' DECK SHOULD BE ARRANGED FOR MOORING MASTERS, LOADING MASTERS,

INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL.

2.18.2.18.3. MEALS FOR MOORING MASTERS, LOADING MASTERS, INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL SHOULD BE SERVED IN OFFICERS' DINING SALOON.

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

2.18.2.20.THERE SHALL BE NO INSPECTION/SURVEY ON BOARD WHILE DISCHARGING.

2.18.2.21.AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/ BIDDER.

## **2.19. LINE FLUSHING AT DOLPHIN TANKER BERTH, COLOMBO**

THE VESSEL NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER SHOULD BE CAPABLE OF FLUSHING THE 10 INCH AND 12 INCH, 7,000 METER LENGTH, DISCHARGE LINES WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF THE PRODUCT ACCORDING TO THE FOLLOWING SEQUENCE,

2.19.1. ON ARRIVAL BEFORE DISCHARGING, VESSEL SHALL FLUSH THE DISCHARGE LINE WITH SEA WATER ABOUT FOUR HOURS.

2.19.2. THEN COMMENCE DISCHARGING GAS OIL (0.05% MAX SULPHUR).

2.19.3. ON COMPLETION OF DISCHARGING GAS OIL (0.05% MAX SULPHUR) DISCHARGE LINE WILL BE ONCE AGAIN FLUSHED WITH SEA WATER FOR ABOUT FOUR HOURS.

2.19.4. SUCCESSFUL SUPPLIER/BIDDER SHALL MAKE SURE GIVING PROPER INSTRUCTIONS TO THE MASTER OF THE PERFORMING VESSEL TO USE CARGO PUMPS FOR LINE FLUSHING OPERATIONS WHILE AVOIDING STRIPPING PUMPS FOR LINE FLUSHING. ALL DELAYS DUE TO LOW RATE OF LINE FLUSHING SHALL BE THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/BIDDER.

## **2.20. LINE FLUSHING AT SPM MUTHURAJAWELA, COLOMBO**

THE VESSEL NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER SHOULD BE CAPABLE OF FLUSHING THE 18 INCH, 7,000 METER LENGTH, DISCHARGE LINE WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF THE PRODUCT ACCORDING TO THE FOLLOWING SEQUENCE,

2.20.1. ON ARRIVAL BEFORE DISCHARGING, VESSEL SHALL FLUSH THE DISCHARGE LINE WITH SEA WATER FOR ABOUT FOUR HOURS.

2.20.2. THEN COMMENCE DISCHARGING GAS OIL (0.05% MAX SULPHUR).

- 2.20.3. ON COMPLETION OF DISCHARGING GAS OIL (0.05% MAX SULPHUR) DISCHARGE LINE WILL BE ONCE AGAIN FLUSHED WITH SEA WATER FOR ABOUT FOUR HOURS.
- 2.20.4. SUCCESSFUL SUPPLIER/BIDDER SHALL MAKE SURE GIVING PROPER INSTRUCTIONS TO THE MASTER OF THE PERFORMING VESSEL TO USE CARGO PUMPS FOR LINE FLUSHING OPERATIONS WHILE AVOIDING STRIPPING PUMPS FOR LINE FLUSHING. ALL DELAYS DUE TO LOW RATE OF LINE FLUSHING SHALL BE THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/BIDDER.

## **2.21. DEMURRAGE**

- 2.21.1. ALL CLAIMS FOR DEMURRAGE SHALL BE ACCOMPANIED BY THE RESPECTIVE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP. CEYPETCO SHALL NOT BE BOUND BY THE TERMS AND CONDITIONS OF THE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP EXCEPT TO THE EXTENT SUCH TERMS AND CONDITIONS HAVE BEEN COMMUNICATED TO CEYPETCO AND EXPRESSLY AGREED TO BY CEYPETCO IN WRITING.
- 2.21.2. IN CASE OF VESSEL ARRIVING OUTSIDE LAYCAN AGREED UPON, LAYTIME TO START COUNTING FROM THE TIME OF BERTHING AS PER CLAUSE 2.16.1.5. & CLAUSE 2.16.2.5.
- 2.21.3. IF THE TOTAL LAYTIME TO COMPLETE THE ENTIRE CARGO DISCHARGE EXCEEDS THE LAYTIME ALLOWED AS PER CLAUSE 2.16. CEYPETCO WILL BE LIABLE TO PAY THE DEMURRAGE TO THE SUCCESSFUL SUPPLIER/BIDDER.
- 2.21.4. HOWEVER IN THE EVENT THE SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL ARRIVES LATE AND IS BERTHED ON ARRIVAL WHICH AFFECTS BERTHING OF VESSEL OR VESSELS WHICH ARE ARRIVING ON SCHEDULE, THEN THE SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL WILL BE UN-BERTHED (WAITING TIME SHALL NOT BE COUNTED AS USED LAYTIME) TO ACCOMMODATE THE VESSEL OR VESSELS ARRIVING ON SCHEDULE OR CONTINUE TO DISCHARGE THE CARGO OF SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL PROVIDED THAT THE SUCCESSFUL SUPPLIER/ BIDDER SHALL AGREE TO BEAR THE DEMURRAGES ON THE SUBSEQUENT THREE VESSELS THAT ARRIVE ON SCHEDULE AND GETS DELAYED DUE TO THE PRESENCE OF SUCCESSFUL SUPPLIER/BIDDER VESSEL ON BERTH. LIABILITY FOR DEMURRAGES ON SUBSEQUENT VESSELS MENTION HEREIN ARE IN ADDITION TO THE RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO CHARGED UNDER SUB CLAUSE 2.13. (CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO FOR LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED).

MOREOVER THE CEYPETCO RESERVES THE RIGHT TO BERTH THE VESSEL ONLY ON PIER AVAILABILITY BASIS AND BASED ON THE REQUIREMENT FOR THE PRODUCTS IN THE COUNTRY. FURTHERMORE CEYPETCO SHALL NOT BE RESPONSIBLE FOR ANY DEMURRAGES INCURRED BY THE SUPPLIER'S VESSEL ARRIVING OUTSIDE THE CONTRACTUAL LAYCAN. CEYPETCO WILL TAKE EVERY ENDEAVOUR TO MINIMIZE THE OVERALL COMMERCIAL LOSS TO ALL PARTIES.

IN THE EVENT THE SUCCESSFUL BIDDER DOES NOT AGREE TO BEAR THE SUBSEQUENT DEMURRAGES (IF INCURRED) AND IN THE EVENT IF THE SUBJECT VESSEL COULD NOT COMPLETE THE DISCHARGING BEFORE THE ARRIVAL OF SUBSEQUENT VESSEL/S, CEYPETCO RESERVES THE RIGHT TO REMOVE THE SUBJECT VESSEL FROM THE BERTH IN ORDER TO ACCOMMODATE THE SUBSEQUENT VESSEL/S OF OTHER SUPPLIERS. IN SUCH

A CASE, THE SUBJECT VESSEL WILL BE REBIRTHED ONLY AFTER THE COMPLETION OF THE DISCHARGING OF THE SUBSEQUENT VESSEL/S AND/OR ON THE PIER AVAILABILITY BASIS.

IN ANY CIRCUMSTANCES, CEYPETCO REQUIRES TO UNLOAD THE PRODUCT ONBOARD THE VESSEL AS PER THE PRODUCT REQUIREMENT TO ENSURE THE ENERGY SECURITY OF THE COUNTRY, CEYPETCO COMPELS TO DISCHARGE THE MINIMUM REQUIREMENT OF THE CARGO ONBOARD THE SUBJECT VESSEL AND ALL COST INVOLVEMENTS IN THIS EVENT SUCH AS DEMURRAGES OF THE SUBSEQUENT THREE VESSELS, COMMERCIAL LOSSES (IF ANY) SHALL BE BORNE BY THE SUCCESSFUL SUPPLIER.

2.21.5. DEMURRAGE RATE OF THE NOMINATED VESSEL SHALL BE DECLARED BY THE SUCCESSFUL SUPPLIER / BIDDER AT THE TIME OF VESSEL NOMINATION FOR EACH CARGO.

2.21.6. AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/ BIDDER. CEYPETCO PREFERS TO HAVE A CERTIFIED COPY OF THE SIGNED CHARTER PARTY.

## **2.22. FORCE MAJEURE**

THE SUCCESSFUL SUPPLIER / BIDDER OR THE CEYPETCO 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 SUCCESSFUL SUPPLIER'S / BIDDER'S OR CEYPETCO'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.

## **2.23. OTHER REQUIREMENTS**

THIS BID SHALL BE GOVERNED BY THE TERMS & CONDITIONS OF TRADE FOR TENDERERS REGISTERED WITH THE COMMERCIAL FUNCTION OF CEYPETCO.

## **2.24. SUBMISSION OF BIDS**

2.24.1. **BIDDERS ARE REQUESTED TO SUBMIT BIDS AS PER THE "FORM OF BID" GIVEN IN ANNEX - 'E' AND SHALL STATE THE COMPLIANCE TO THE TENDER TERMS & CONDITIONS LISTED THEREIN. FURTHERMORE, BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN ANNEX - 'E-1' FOR GAS OIL (0.05% MAX SULPHUR).**

2.24.2. **IT IS MANDATORY TO SUBMIT DULY FILLED ANNEX - 'E' AND ANNEX - 'E-1' ALONG WITH THE BID.**

2.24.3. ANY FORM OF ALTERNATIVE BIDS ALONG WITH THE ORIGINAL BID SHALL NOT BE PERMITTED. IN THE EVENT IF ALTERNATIVE BIDS HAVE BEEN SUBMITTED BY THE

BIDDER, THE SECOND AND SUBSEQUENT ALTERNATIVE BIDS SHALL BE REJECTED. IF THE BIDDER HAS SUBMITTED ORIGINAL BID AND ALTERNATIVE BIDS USING THE SAME FORM OF BID AND BID SECURITY GUARANTEE, SSCAPC RESERVES THE RIGHT TO REJECT ALL BIDS SUBMITTED BY THE BIDDER.

- 2.24.4. SUBMISSION OF BIDS BY FAX OR EMAIL IS NOT ENTERTAINED.
- 2.24.5. BIDDER SHALL SUBMIT A DETAILED BID COVERING AND CONFIRMING THAT BIDDER WILL AGREE TO AND ABIDE BY THE ABOVE REQUIREMENTS/TERMS AND CONDITIONS OF TENDER.
- 2.24.6. EACH PAGE OF THE COMPLETED BID, PROPERLY SEALED/STAMPED AND SIGNED BY AN AUTHORIZED OFFICER, SHOULD BE ENCLOSED IN AN ENVELOPE WHICH IS TO BE SEALED AFTER ENCLOSING THE BID.
- 2.24.7. THE ENVELOPE SEALED AS ABOVE AND ADDRESSED TO THE CHAIRMAN, SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC), 3<sup>RD</sup> FLOOR, CEYLON PETROLEUM CORPORATION, NO. 609, DR. DANISTER DE SILVA MAWATHA, COLOMBO 09, SRI LANKA SHOULD BE DEPOSITED IN THE TENDER BOX KEPT AT THE AFORESAID ADDRESS **BEFORE 1200 HRS, SRI LANKA TIME ON 10<sup>TH</sup> DECEMBER 2019.**
- 2.24.8. IN THE EVENT THE BIDS ARE SUBMITTED THROUGH THE LOCAL AGENTS, THE BIDDER SHALL PROVIDE ALONG WITH THE BID A LETTER OF AUTHORIZATION ENABLING THE LOCAL AGENT TO SUBMIT THE BID ON OR BEFORE CLOSING OF THE TENDER.
- 2.24.9. BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF OFFERS. THE OFFICER WHO SIGNS THE BIDS (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY FROM THE RESPECTIVE BIDDER OR THE PRINCIPAL FOR SIGNING ALL DOCUMENTS RELATED TO THE BID.
- 2.24.10. THE AUTHORITY SHALL BE IN THE FORM OF A BOARD RESOLUTION OR DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE.

## **2.25. VALIDITY OF THE OFFER**

OFFERS CLOSE AT **1200 HRS, SRI LANKA TIME ON 10<sup>TH</sup> DECEMBER 2019** AND SHOULD BE HELD VALID FOR A PERIOD OF **NINETY (90) DAYS** THEREFROM (I.E. 09<sup>TH</sup> MARCH 2020), EXTENDABLE UP TO HUNDRED AND FOUR (104) DAYS IF REQUESTED BY THE CHAIRMAN, SSCAPC.

## **2.26. AGREEMENT**

- 2.26.1. THE THE SUCCESSFUL SUPPLIER/BIDDER WILL HAVE TO SIGN THE AGREEMENT STRICTLY IN ACCORDANCE WITH THE **ANNEX - 'F'**. BIDDERS ARE REQUESTED TO INDICATE IN THEIR OFFERS **THAT THEY ARE IN AGREEMENT WITH THE PROPOSED AGREEMENT GIVEN IN ANNEX - 'F'**.
- 2.26.2. **IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - 'F' NO CLARIFICATIONS WILL BE MADE AFTER THE TENDER OPENING AND THEIR OFFER WILL BE REJECTED AS IT IS CONSIDERED TO BE A MAJOR DEVIATION.**

2.26.3. THE OFFICER WHO SIGNS THE AGREEMENT (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY.

2.26.4. THE AUTHORITY SHALL BE IN THE FORM OF A BOARD RESOLUTION OR DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE.

**NOTE**

**PLEASE NOTE THAT ONLY THOSE WHO HAVE SUBMITTED OFFERS (OR THEIR LOCAL AGENTS) COULD BE PRESENT AT THE TIME OF OPENING OF BIDS. NO LOCAL AGENT IS PERMITTED TO BRING MOBILE PHONES.**



**ACTG. COMMERCIAL MANAGER/CEYPETCO/CE0128  
07/11/2019**

**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** : CEYLON PETROLEUM CORPORATION

**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 Ceylon Petroleum Corporation 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.

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)]*



**PER SHIPMENT CARGO QUANTITY  
WITHOUT PLUS TEN/MINUS FIVE PERCENT (+10/-5%) TOLERANCE**

| PRODUCT                     | PER SHIPMENT QUANTITY | TOTAL QUANTITY |
|-----------------------------|-----------------------|----------------|
| GAS OIL (0.05% MAX SULPHUR) | 280,000 BBLs          | 2,240,000 BBLs |
| NO. OF SHIPMENTS            | 08                    |                |

## NOTE:

1. BIDDERS ARE REQUESTED TO OFFER FOR THE TOTAL QUANTITIES AS GIVEN IN THE TENDER.
2. ANY BIDDER WHO FAILS TO OFFER FOR THE TOTAL QUANTITIES AS GIVEN IN THE TENDER WILL BE REJECTED.
3. OFFERS SUBMITTED WITH REDUCED QUANTITIES WILL NOT BE EVALUATED.

## SPECIFICATIONS FOR GAS OIL (0.05% MAX SULPHUR)

| PROPERTY/TEST                                  | TEST METHOD               | SPECIFICATIONS   |
|--|---------------------------|--|
| APPEARANCE                                     |                           | CLEAR, BRIGHT AND FREE FROM WATER & VISIBLE IMPURITIES |
| DENSITY AT 15 °C kg/m <sup>3</sup>             | ASTM D 1298 / ASTM D 4052 | 820 - 860  |
| COLOUR   | ASTM D 1500               | MAX. 1.5   |
| DISTILLATION                                   | ASTM D 86                 |  |
| IBP °C   |                           | REPORT   |
| T10 °C   |                           | REPORT   |
| T50 °C   |                           | REPORT   |
| T85 °C   |                           | MAX. 350   |
| T95 °C   |                           | MAX. 370   |
| CETANE INDEX OR                                | ASTM D 976 / ASTM D 4737  | MIN. 46 (NOTE 1)                                       |
| CETANE NUMBER                                  | ASTM D 613                | MIN. 49  |
| CLOUD POINT °C                                 | ASTM D 2500               | MAX. 15  |
| CFPP °C  | ASTM D 6371               | MAX. 5   |
| SULPHUR CONTENT mg/kg                          | ASTM D 4294 / ASTM D 2622 | MAX. 500   |
| FLASH POINT °C                                 | ASTM D 93                 | MIN. 55  |
| VISCOSITY KIN AT 40 °C, cSt                    | ASTM D 445                | 2 - 4.5  |
| WATER CONTENT (mg/kg)                          | ASTM D 6304               | MAX. 200   |
| CU - STRIP CORROSION 3 hrs AT 50 °C            | ASTM D 130                | MAX. 1   |
| ASH % m/m                                      | ASTM D 482                | MAX. 0.01  |
| CARBON RESIDUE, % m/m                          | ASTM D 524 / ASTM D 4530  | MAX. 0.3   |
| PARTICULATE CONTAMINANTS, TOTAL mg/L           | ASTM D 6217               | MAX. 10  |
| TOTAL ACID NO. mg KOH/g                        | ASTM D 664                | MAX. 0.08  |
| CALORIFIC VALUE GROSS kcal/kg                  | ASTM D 240                | MIN. 10500   |
| OXIDATION STABILITY g/m <sup>3</sup>           | ASTM D 2274               | MAX. 25  |
| DSEP RATING                                    | ASTM D 7261               | 50 – 100   |
| FAME   | ASTM D 7371               | NON DETECTABLE (NOTE 2)                                |
| LUBRICITY<br>(HFRR wear scar dia.@60°C) micron | ASTM D 6079               | MAX. 460   |

**IMPORTANT:**

NOTE 1 : NOT APPLICABLE IF ANY CETANE IMPROVER ADDITIVE IS PRESENT

NOTE 2 : ADDITION OF BIO DIESEL OR BIODIESEL BLENDS ARE NOT PERMITTED

**FORMAT FOR PERFORMANCE SECURITY GUARANTEE**

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

**Beneficiary** : **CEYLON PETROLEUM CORPORATION**

**Date** : .....

**PERFORMANCE SECURITY 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]* dated ..... with 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 USD..... *[amount in figures]* (United States Dollars.....) *[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 the ..... day of ....., 20.... *[insert date, ninety 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.

.....  
*[Signature(s)]*

## FORM OF BID

The Chairman, Special Standing Cabinet Appointed Procurement Committee,  
3<sup>rd</sup> Floor, Ceylon Petroleum Corporation, No. 609,  
Dr. Danister De Silva Mawatha,  
Colombo 09, Sri Lanka.

Dear Sir,

**BIDDING FOR THE SUPPLY OF CARGOES OF GAS OIL (0.05% MAX SULPHUR) FOR DUAL BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO AND SPM MUTHURAJAWELA, COLOMBO FOR A PERIOD OF EIGHT (08) MONTHS FROM 01/03/2020 TO 31/10/2020**

**(TENDER REF: BK/TERM/GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R)**

I/We the undersigned read and fully acquainted myself / ourselves with the contents of the Conditions of the terms and Contract and all other Conditions pertaining to the above Bid do hereby undertake to supply the Petroleum Products with the specifications and quantities as specified in the tender.

**A. PRICE / INTEREST**

| Product                     | Contractual cargo quantities | Compliance                     | Premium / Discount on (USD per Bbl) |                      |                       | Interest Rate (Per Annum) |
|-----------------------------|------------------------------|--------------------------------|-------------------------------------|----------------------|-----------------------|---------------------------|
|                             |                              |                                | FOB basis                           | DAP Colombo basis    |                       |                           |
|                             |                              |                                |                                     | Option – 1 (30 days) | Option – 2 (180 days) |                           |
| Gas Oil (0.05% Max Sulphur) | 2,240,000 Bbls<br>+10/- 5%   | <b>Comply /<br/>Not Comply</b> | *                                   | *                    | *                     | **                        |

**B. TERMS & CONDITIONS**

| BID DOCUMENT CLAUSE REFERENCE  | COMPLIANCE                 |
|--|----------------------------|
| 1.8.<br>Bid Security Guarantee (Annex – 'A')   | <b>Comply / Not Comply</b> |
| 2.2.<br>Contractual cargo quantities (Annex – 'B')                                     | <b>Comply / Not Comply</b> |
| 2.3.<br>Delivery   | <b>Comply / Not Comply</b> |
| 2.4.<br>Quality (Compliance to each parameter and notes in Annex – 'E-1' is mandatory) | <b>Comply / Not Comply</b> |
| 2.5.<br>Source of supply   | <b>Comply / Not Comply</b> |
| 2.6.<br>Mode of Loading  | <b>Comply / Not Comply</b> |
| 2.7.1.<br>Inspection at Load port  | <b>Comply / Not Comply</b> |

|  |                            |
|--|----------------------------|
| 2.7.2.<br>Inspection at Discharge port   | <b>Comply / Not Comply</b> |
| 2.7.3.<br>Recovery of damages or losses for CEYPETCO due to unacceptable quality   | <b>Comply / Not Comply</b> |
| 2.8.<br>Out-turn loss  | <b>Comply / Not Comply</b> |
| 2.9.<br>Price / Payment / interest   | <b>Comply / Not Comply</b> |
| 2.9.1.1.<br>DAP Colombo price for Gas Oil (0.05% Max Sulphur) calculation method under Option -1                                       | <b>Comply / Not Comply</b> |
| 2.9.2.1.<br>DAP Colombo price for Gas Oil (0.05% Max Sulphur) calculation method under Option -2                                       | <b>Comply / Not Comply</b> |
| 2.10.<br>Local Agent & Local Agency Commission (USD)   | <b>Comply / Not Comply</b> |
| 2.11.<br>Title and Risk  | <b>Comply / Not Comply</b> |
| 2.12.<br>Performance Security Guarantee<br>(Annex – 'D')   | <b>Comply / Not Comply</b> |
| 2.13.<br>Claims, disputes and recovery of damages or losses for CEYPETCO for late delivery and delivery of lesser quantity than agreed | <b>Comply / Not Comply</b> |
| 2.14.<br>Award of the tender   | <b>Comply / Not Comply</b> |
| 2.15.<br>Delivery of Product at Colombo  | <b>Comply / Not Comply</b> |
| 2.15.1.<br>Delivery of products for single berth at Dolphin Tanker Berth, Colombo  | <b>Comply / Not Comply</b> |
| 2.15.2.<br>Delivery of products for single berth at SPM Muthurajawela, Colombo   | <b>Comply / Not Comply</b> |
| 2.15.3.<br>Delivery of products for dual berth discharge at Dolphin Tanker Berth, Colombo & SPM Muthurajawela, Colombo                 | <b>Comply / Not Comply</b> |
| 2.16.1.<br>Laytime for discharge at Dolphin Tanker Berth, Colombo  | <b>Comply / Not Comply</b> |
| 2.16.2.<br>Laytime for discharge at SPM Muthurajawela, Colombo   | <b>Comply / Not Comply</b> |
| 2.16.3.<br>Laytime for dual berth discharge at Dolphin Tanker Berth, Colombo & SPM Muthurajawela, Colombo                              | <b>Comply / Not Comply</b> |
| 2.17.<br>Notice of arrival at Colombo  | <b>Comply / Not Comply</b> |
| 2.18.1.<br>Requirements of tankers for discharging of product via Dolphin Tanker Berth, Colombo  | <b>Comply / Not Comply</b> |
| 2.18.2.<br>Requirements of tankers for discharging of product via SPM Muthurajawela, Colombo   | <b>Comply / Not Comply</b> |
| 2.19.<br>Line flushing at Dolphin Tanker Berth, Colombo  | <b>Comply / Not Comply</b> |
| 2.20.<br>Line flushing at SPM Muthurajawela, Colombo   | <b>Comply / Not Comply</b> |

|  |                            |
|--|----------------------------|
| 2.21.<br>Demurrage   | <b>Comply / Not Comply</b> |
| 2.22.<br>Force Majeure   | <b>Comply / Not Comply</b> |
| 2.23.<br>Other requirements  | <b>Comply / Not Comply</b> |
| 2.24.<br>Submission of Bids  | <b>Comply / Not Comply</b> |
| 2.24.2.<br>Submission of ANNEX - 'E' and ANNEX - 'E-1'   | <b>Comply / Not Comply</b> |
| 2.24.8.<br>A letter of Authorization enabling the local agent to submit the bid  | <b>Comply / Not Comply</b> |
| 2.24.10.<br>Proper authority to the officer who signs the bids (authorized officer) from the respective bidder or the principal for signing all documents related to the bid | <b>Comply / Not Comply</b> |
| 2.25.<br>Validity of the offer   | <b>Comply / Not Comply</b> |
| 2.26.<br>Agreement (Annex – 'F')   | <b>Comply / Not Comply</b> |
| Agreement to Amendment Notice(s) [if any]  | <b>Comply / Not Comply</b> |

It should be noted that as described in 2.9.1., and 2.9.2. Bidders are informed that

- \* The premium quoted for the product shall be fixed throughout the eight (08) months contract period commencing from 01/03/2020 to 31/10/2020.
- \*\* The interest rate shall be common to the product and fixed throughout the eight (08) months contract period commencing from 01/03/2020 to 31/10/2020.
- I/We confirm that the bid shall remain open for acceptance as mentioned above under validity of bid and that it will not be withdrawn or revoked prior to that date.
- I/We attach hereto the following documents as part of my/our Bid (If any);
  - .....
  - .....
  - .....
- I/We understand that you are not bound to accept the lowest or any other Bid and that you reserve the right to reject any or all Bids or to accept a Bid in full or in part without assigning any reasons therefore.

- I/We undertake to deliver the quantity of Petroleum products referred to above.

Yours Faithfully,

Authorized signature & the official seal of the Bidder : .....

Name of the Bidder : .....

Address : .....

Telephone No. : .....

Fax No. : .....

E-mail : .....

Date : .....

## SPECIFICATIONS FOR GAS OIL (0.05% MAX SULPHUR)

| PROPERTY/TEST                               | TEST METHOD               | SPECIFICATIONS   | COMPLIANCE          |
|---|---------------------------|--|---------------------|
| APPEARANCE                                  |                           | CLEAR, BRIGHT AND FREE FROM WATER & VISIBLE IMPURITIES | Comply / Not Comply |
| DENSITY AT 15 °C kg/m <sup>3</sup>          | ASTM D 1298 / ASTM D 4052 | 820 - 860  | Comply / Not Comply |
| COLOUR                                      | ASTM D 1500               | MAX. 1.5   | Comply / Not Comply |
| DISTILLATION                                | ASTM D 86                 |  | Comply / Not Comply |
| IBP °C                                      |                           | REPORT   | Comply / Not Comply |
| T10 °C                                      |                           | REPORT   | Comply / Not Comply |
| T50 °C                                      |                           | REPORT   | Comply / Not Comply |
| T85 °C                                      |                           | MAX. 350   | Comply / Not Comply |
| T95 °C                                      |                           | MAX. 370   | Comply / Not Comply |
| CETANE INDEX OR                             | ASTM D 976 / ASTM D 4737  | MIN. 46 (NOTE 1)                                       | Comply / Not Comply |
| CETANE NUMBER                               | ASTM D 613                | MIN. 49  | Comply / Not Comply |
| CLOUD POINT °C                              | ASTM D 2500               | MAX. 15  | Comply / Not Comply |
| CFPP °C                                     | ASTM D 6371               | MAX. 5   | Comply / Not Comply |
| SULPHUR CONTENT mg/kg                       | ASTM D 4294 / ASTM D 2622 | MAX. 500   | Comply / Not Comply |
| FLASH POINT °C                              | ASTM D 93                 | MIN. 55  | Comply / Not Comply |
| VISCOSITY KIN AT 40 °C, cSt                 | ASTM D 445                | 2 - 4.5  | Comply / Not Comply |
| WATER CONTENT (mg/kg)                       | ASTM D 6304               | MAX. 200   | Comply / Not Comply |
| CU - STRIP CORROSION 3 hrs AT 50 °C         | ASTM D 130                | MAX. 1   | Comply / Not Comply |
| ASH % m/m                                   | ASTM D 482                | MAX. 0.01  | Comply / Not Comply |
| CARBON RESIDUE, % m/m                       | ASTM D 524 / ASTM D 4530  | MAX. 0.3   | Comply / Not Comply |
| PARTICULATE CONTAMINANTS, TOTAL mg/L        | ASTM D 6217               | MAX. 10  | Comply / Not Comply |
| TOTAL ACID NO. mg KOH/g                     | ASTM D 664                | MAX. 0.08  | Comply / Not Comply |
| CALORIFIC VALUE GROSS kcal/kg               | ASTM D 240                | MIN. 10500   | Comply / Not Comply |
| OXIDATION STABILITY g/m <sup>3</sup>        | ASTM D 2274               | MAX. 25  | Comply / Not Comply |
| DSEP RATING                                 | ASTM D 7261               | 50 – 100   | Comply / Not Comply |
| FAME  | ASTM D 7371               | NON DETECTABLE (NOTE 2)                                | Comply / Not Comply |
| LUBRICITY (HFRR wear scar dia.@60°C) micron | ASTM D 6079               | MAX. 460   | Comply / Not Comply |

**IMPORTANT:**

NOTE 1 : NOT APPLICABLE IF ANY CETANE IMPROVER ADDITIVE IS PRESENT

Comply / Not Comply

NOTE 2 : ADDITION OF BIO DIESEL OR BIODIESEL BLENDS ARE NOT PERMITTED

Comply / Not Comply



**PURCHASE - SALE OF CARGOES OF  
GAS OIL (0.05% MAX SULPHUR)**

**REF: BK/TERM/GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R**

**TERM CONTRACT  
01<sup>ST</sup> MARCH 2020 – 31<sup>ST</sup> OCTOBER 2020  
BETWEEN**

**CEYLON PETROLEUM CORPORATION**

**AND**

.....

**TERM CONTRACT BETWEEN**  
**CEYLON PETROLEUM CORPORATION AND**

.....  
**FOR THE PURCHASE OF CARGOES OF**  
**GAS OIL (0.05% MAX SULPHUR)**  
**TENDER REF: BK/TERM/ GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R**

This AGREEMENT is entered into between the CEYLON PETROLEUM CORPORATION a Corporation duly established by an Act of Parliament Act No: 28 of 1961 whose Head Office is at No. 609, Dr. Danister De Silva Mawatha, Colombo – 09 Sri Lanka (hereinafter referred to as the “Buyer”) of the One Part and ..... having its place of business at ..... (hereinafter referred to as the “Seller”) of the Other Part.

WHEREBY it is agreed between the parties hereto as follows:

**1. PERIOD OF CONTRACT :**

This Agreement shall commence on 01<sup>st</sup> March 2020 and subject to the provisions hereof shall remain in force for a period of eight (08) months ending 31<sup>st</sup> October 2020.

**2. BUYER :** Ceylon Petroleum Corporation (CEYPETCO),  
No. 609, Dr. Danister De Silva Mawatha,  
Colombo – 09,  
Sri Lanka.

**3. SELLER :** .....  
.....  
.....

**4. SCOPE :**

During the period of the Agreement, the Seller shall sell and deliver and the Buyer shall purchase and pay for and take or cause to be taken Gas Oil (0.05% Max Sulphur) dual berth delivery at Dolphin Tanker Berth, Colombo and SPM Muthurajawela, Colombo for a period of eight (08) months commencing from 01<sup>st</sup> March 2020 to 31<sup>st</sup> October 2020, where not in conflict with the terms contained herein, Incoterms 2010 to apply.

**5. QUANTITY :**

| Product                     | Quantities to be delivered / purchased |                         | No. of shipments |
|-----------------------------|--|-------------------------|------------------|
|                             | Total contractual quantities           | Per shipment quantities |                  |
| Gas Oil (0.05% Max Sulphur) | 2,240,000 Bbls +10%/-5%                | 280,000 Bbls +10%/-5%   | 08               |

## 6. QUALITY :

Specifications of Gas Oil (0.05% Max Sulphur) shall be as per **Annex – ‘A’**

## 7. INSPECTION AT LOAD PORT

- 7.1. The Buyer shall nominate an Independent Inspector (ITS Caleb Brett / Geo-Chem/ SBC Asia - Saybolt / SGS / Bureau Veritas /CCIC) acceptable to the Seller to sample, test and certify the quality of the product for inconformity with the contractual specifications and the quantity for inconformity with the tender conditions. They should present at the time of loading of the cargo to carry out/witness the inspection and to prepare the quality and quantity certificates and any other documents specified.
- 7.2. The Buyer reserves the right to nominate a second inspection company at its sole discretion to witness the quality and quantity of the products at load port as and when required at **its own cost**.
- 7.3. It is the responsibility of the Seller to ensure the presence of the Independent Inspector at the time of sampling, testing and loading of the cargo at the load port. The Seller shall co-operate and liaise with the Independent Inspector to ensure that the inspection is carried out to the satisfaction of the Buyer. 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 per sub clause 7.1. and the second inspector if nominated by the Buyer as per sub clause 7.2.

In case the Buyer requests, the independent inspector at load port is also responsible to send a ship's composite sample with sufficient quantity at the earliest possible time after loading the vessel to be reach CPSTL laboratory at Colombo via air freight. In this case, all related cost shall be under the Buyer's Account.

- 7.4. The Buyer shall furnish full particulars of the respective cargo to be purchased to the Independent Inspector under advice to the Seller. The quality and quantity of the product shall be tested in accordance with good industry standards and practices and using internationally accepted sampling and analytical/testing methods stipulated in relevant specification sheet as per **Annex - ‘A’**.
- 7.5. Shore tank quality certificate issued by the Seller's Terminal and signed by the mutually agreed Independent Inspector, shall be forwarded/communicated to the Deputy General Manager (Commercial & Supply Chain) or Actg. Commercial Manager of the Buyer through e-mail, before commencement of loading.
- 7.6. The Seller shall ensure that vessel loads only the product that meets each, every and all specifications as specified by the Buyer in the contract. The independent inspector nominated by the Buyer and accepted by the Seller shall also ensure that the vessel loads only the products that are on specifications.

If the load port quality certificates of the product does not meet the CEYPETCO contractual specification/s, the Buyer shall communicate the rejection of such product with reasons within a reasonable time period after the Seller has sent the quality certificates through e-mail.

Under no circumstances the loading shall be delayed, if all the parameters of load port quality certificates for all products are on specifications.

- 7.7. The Seller shall send the quality certificates to [cm@ceypetco.gov.lk](mailto:cm@ceypetco.gov.lk)/[commercial@ceypetco.gov.lk](mailto:commercial@ceypetco.gov.lk) / [commercial.bulk@ceypetco.gov.lk](mailto:commercial.bulk@ceypetco.gov.lk) for the said purpose.
- 7.8. The Seller shall load the cargo complying with CEYPETCO tender specification at their own risk.
- 7.9. The Seller shall be bound to provide a tank cleanliness & dry certificate signed by the Independent Inspector certifying the inspection and witnessing, ensuring dry and cleanliness of the vessel's tanks & lines before loading and vessel's tanks facilities such as pipelines, pumps and strainers to be cleaned, dry and suitable for Gas Oil (0.05% Max Sulphur) through the independent inspector.
- 7.10. It is extremely important to submit the above certificate to the Buyer by the independent inspector prior to commencement of loading. The Seller shall be responsible to load the cargo into the clean and dry tanks of the vessel as certified by the independent inspector.
- 7.11. In the event product is loaded from different shore tanks, independent inspector shall provide quality certificates in respect of each and every shore tank.
- 7.12. The cost of inspection at load port shall be shared equally between the Buyer and the Seller.
- 7.13. Quantities mentioned in the Bills of Ladings (B/Ls) at respective load ports shall be binding on both parties.
- 7.14. In the event that the Seller does not agree to the nominated Independent Inspector by the Buyer as per the clause 7.1., the Seller is permitted to nominate an alternative Independent Inspector from companies listed under the said clause under no circumstances the Seller shall be permitted to change such alternative nomination thereafter.

## **8. INSPECTION AT DISCHARGE PORT**

- 8.1. Discharge Port independent inspector shall be different to that at the load port.
- 8.2. The quality at Discharge Port Colombo shall be determined by CPSTL (Ceylon Petroleum Storage Terminals Limited) laboratory and witnessed by the Independent Inspector (ITS Caleb Brett / Geo-Chem / SBC Asia – Saybolt / SGS / Bureau Veritas) at Colombo and one representative if nominated by the Seller. Such determinations shall be based on the recognised cargo analysis carried out by the CPSTL laboratory. The certificate of quality issued by CPSTL laboratory as witnessed by the independent inspector at Colombo based on such recognised cargo analysis shall be binding on both parties.

The Buyer shall reserve the right to deploy its own representative/s to witness the sampling / testing performed at the vessel / CPSTL laboratory.

- 8.3. A ship tank composite samples with adequate quantities **for the product** will 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 the Buyer / CPSTL representatives and representative if nominated by the Seller. Samples shall be properly sealed and authenticated by the independent inspector, vessel's master or representative of the master and representatives of the Buyer / CPSTL and representative if nominated by the Seller.

Such sample/s shall be analysed at the Ceylon storage terminals limited (CPSTL) laboratory according to contractual specification 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.

- 8.4. Under no circumstances a representative of the seller from an inspection company and an employee of the inspection company as mentioned under sub clause 8.2. will be allowed.
- 8.5. Under no circumstances a protective inspector will be allowed to the seller other than the mutually agreed independent inspector.
- 8.6. The Seller shall declare in the bid that the certificate of quality at discharge port **for the product** shall be on the basis of ship tank composite sample taken on arrival of the vessel at discharge port as per the sub clause 8.3.
- 8.7. In the event the first composite sample does not meet the contractual specifications, the independent inspector will be requested to draw a second set of samples from vessel's individual tanks in the presence of representatives from Buyer (CEYPETCO/CPSTL), a representative from Seller's cargo insurer, two representatives from the Seller and one representative from the protection & indemnity insurance (P&I club).

Such individual sample will be analysed at the laboratory of CPSTL according to the 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. All representatives' witness this test required to be signed each of the full test certificates issued by CPSTL laboratory.

- 8.8. If the specification of any or all of the product/s deviated from the CEYPETCO standard specifications, the Buyer reserves the right to reject any or all of such product/s.
- 8.9. Under no circumstance further samples shall be drawn from ship's tanks other than the samples proposed under sub clause 8.7. to determine the quality of cargo at discharge port. Furthermore, under no circumstances any testing results from any other laboratories other than the CPSTL laboratory shall be entertained for final determination of the quality of the subject cargo.
- 8.10. In the event of the Buyer 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 the sole discretion of the Buyer. In case it is decided to accept part cargo discharge, then laytime and

demurrage to be pro-rated in line with the quantity of cargo accepted. The time period between first rejection of the cargo or part cargo and recommencement of the laytime for the part cargo shall not be counted as used laytime.

- 8.11. The quality certificate at discharge port, Colombo shall be issued by the independent inspector based on the test report of CPSTL laboratory.
- 8.12. Discharge of vessel shall commence only after the certificate of quality at discharge port, as issued by independent inspector based on the test report/s of CPSTL laboratory countersigned by Buyer's representative is in the possession of the Seller.
- 8.13. The quantity of products at the discharge port Colombo shall 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 Seller shall deduct the excess loss and/or free flowing product left on board from the bill of lading quantity for invoice purposes.

- 8.14. In the event if the out-turn loss is proved to be due to Buyer's fault including but not limited to discharging pipe line leakage, causing an out-turn loss in excess of 0.5%, such excess loss shall not be deducted from the B/L quantity for invoice purposes.
- 8.15. The cost of inspection, including cost for testing of second composite sample payable to independent inspector at discharge port, shall be shared equally between the Buyer and the Seller.

## **9. RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO DUE TO UNACCEPTABLE QUALITY**

- 9.1. If the quality of any or all of the product 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 8.7., the Buyer reserves the right to reject the full consignment on board the vessel or part of the consignment as the case may be.

In such a case the Seller is obliged to provide a replacement cargo at the request of the Buyer without any additional cost to the Buyer within the time specified by Buyer subject to payment of zero point one percent (0.1%) of the DAP "value of the rejected cargo" per day pro-rata basis by the Seller to the Buyer 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 NOR tendered time) during the new laycan subject to the maximum of twenty (20) days. Value of the rejected cargo shall be determined, based on the B/L quantity, the agreed delivery laycan of the rejected cargo and as per the pricing clause of this Agreement. Determination of the new laycan will be at the discretion of the Buyer. However, the Buyer shall not unreasonably delay the allocation of an alternative delivery laycan.

The consent for the supply of replacement cargo shall be communicated in writing by the seller to the buyer within forty eight (48) hours of such request by the Buyer.

- 9.2. In the event of rejection of the final cargo resulting in the delay of replacement cargo under this term contract, the Seller shall be bound to extend the validity of the Performance Security Guarantee up to the date determined by the Buyer as required.
- 9.3. The pricing of the replacement cargo should be determined as per the monthly average price of the month belongs to the first day of the two day delivery laycan of the replacement cargo at Colombo plus premium/discount. The calculation of the value of the replacement cargo shall be as per the Clause 11. under the heading "**DAP Colombo Price/Interest/Payment**".
- 9.4. In the event, failure by the Seller to provide a replacement cargo, the Buyer reserves the right to terminate the contract and to call on the Performance Security Guarantee.
- 9.5. For the replacement cargo, the same terms and conditions of this agreement shall be applicable in all aspects including quality, delivery and recovery of damages or losses for CEYPETCO.
- 9.6. In the event, the Buyer deciding, at its sole discretion, not to request a replacement cargo for any or all product/s, a recovery of damages or losses for the Buyer shall be one point five percent (1.5%) of DAP value of any or all product/s of rejected cargo and the same shall be recovered from the letter of credit (L/C) of the balance accepted cargo on-board the same vessel.

In the event the Seller does not agree to recover the damages or losses for the Buyer from the letter of credit (L/C) of the balance accepted cargo imposed by the Buyer including the last cargo of this Agreement, the Buyer shall reserve the right to recover, such damages or losses for the Buyer from the Performance Security Guarantee.

In the event the Seller does not agree to deduct such damages or losses for the Buyer from the letter of credit (L/C) of the balance accepted cargo pertaining to subject delivery or the L/C of the subsequent shipment or does not agree to settle directly to the Buyer, as claimed by the Buyer, including the last cargo of this Agreement, it shall be considered as the non-performance of the contract. Moreover, the Buyer shall reserve the right to recover, such damages or losses for the Buyer so accumulated from the Performance Security Guarantee at the end of the contract.

## **10. OUT-TURN LOSS**

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 by Independent Inspectors (Geo-Chem / ITS Caleb Brett / SBC Asia – Saybolt / SGS / Bureau Veritas) at discharge port, Colombo the Seller shall deduct the excess loss and / or free flowing product left on board from the B/L quantity for invoice purposes.

**11. DAP COLOMBO PRICE / INTEREST / PAYMENT**

11.1. DAP Colombo price for **Gas Oil (0.05% Max Sulphur)** shall be calculated as follows:

**PAYMENT IN THIRTY (30) DAYS - OPTION -1**

Price offered for Gas Oil (0.05% Max Sulphur) in USD per barrel on **DAP Colombo basis (Incoterms 2010)** shall be the monthly average of the MIDS of FOB Singapore price of Gas Oil 500ppm published under the heading "**Platts Singapore Middle Distillates Assessments**", in Platt's market scan over the month belongs to the first day of the two day delivery laycan at Colombo plus a **fixed premium/discount in United State Dollar ..... (USD .....)** per barrel for the first thirty (30) days interest free credit period.

Or

**PAYMENT IN HUNDRED AND EIGHTY (180) DAYS - OPTION -2**

Price offered for Gas Oil (0.05% Max Sulphur) in USD per barrel on **DAP Colombo basis (Incoterms 2010)** shall be the monthly average of the MIDS of FOB Singapore price of Gas Oil 500ppm published under the heading "**Platts Singapore Middle Distillates Assessments**", in Platt's market scan over the month belongs to the first day of the two day delivery laycan at Colombo plus a **fixed premium/discount United State Dollar ..... (USD .....)** per barrel for the first thirty (30) days interest free credit period plus the interest for the extended credit period after thirty (30) days to hundred and eighty (180) days shall be charged at six month LIBOR (US Dollar) plus .....% per annum as published by the Financial Times or Reuters. LIBOR will be that existing on the first day of the two day delivery laycan. If the first day of the two day delivery laycan is a non-banking day in London, then six (06) months LIBOR (U.S. Dollar) quote will be the following London banking day after the first day of the two day delivery laycan. LC amount shall cover the cargo value and the interest amount for the extended payment period.

11.2. L/C to be established by the Buyer through its bankers either by Bank of Ceylon or People's Bank base on the terms and conditions acceptable to both Seller and Buyer, at least twelve (12) calendar days prior to the first day of the two day delivery laycan at Colombo.

The Seller shall be responsible to trace and verify the receipt of the L/C through their corresponding bank. The Seller shall be responsible to send all required details including Performa invoice for the establishment of the L/C by the Buyer within three (03) business days after receipt of the nomination for each and every cargo under this term contract

11.3. Premium for the product and the interest rate applicable over LIBOR shall be fixed throughout the eight (08) months contract period.

11.4. 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 credit period under sub clause 11.1. above



for the purpose of interest calculation shall be adjusted as per payment due date being affected under this condition.

- 11.5. In the event that the Buyer shall remit any monies due and payable to the Seller's bank account on a date after the due date specified for payment, then interest shall be charged at prevailing monthly average LIBOR (US Dollars) as published by the Financial Times or Reuters plus a premium of two percent (2%) per annum, on all amounts remaining outstanding for the period from the date payment was due to the date of Seller's receipt of payment.
- 11.6. Final unit price for the 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.
- 11.7. Payment will be made thirty (30) days (option -1) or hundred and eighty (180) days (option -2) 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 established through Bank of Ceylon/People's Bank, Colombo. All bank charges outside Sri Lanka, if any, will be for the account of the Seller. Confirmation charges of L/C shall be to the Beneficiary's account.
- 11.8. Letter of Credit (L/C) established by the Buyer shall request the following original documents.
  - 11.8.1. Manually signed original commercial invoice based on the B/L quantity in US Barrels @ 60 °F (in air).
  - 11.8.2. 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.
  - 11.8.3. Certificate of Quality ex shore tanks at load port issued or endorsed by the independent inspector, confirming that the products shipped conform to the contractual specifications.
  - 11.8.4. Certificate of Quantity ex shore tanks at load port issued or endorsed by the independent inspector.
  - 11.8.5. Certificate of origin issued by Seller or terminal or any authority or local body or Chamber of Commerce such certificate shall not be issued by countries which comes under sanction imposed by United States / United Nations/ European Union.
  - 11.8.6. Tank Cleanliness & Dry Certificate issued by the independent inspector, confirming that the ship's tanks are clean and dry prior to loading.
  - 11.8.7. Certificate of quality at discharge port, Colombo issued or endorsed by the independent inspector based on the report of tests conducted by Ceylon petroleum storage terminals limited, confirming that the products shipped conform to the contractual specifications.
  - 11.8.8. Certificate of ship arrival quantity and out-turn quantity at discharge port, Colombo issued or endorsed by the independent inspector.

11.8.9. The negotiation of letter of credit (L/C) upon presentation of letter of indemnity (LOI) in lieu of above original shipping documents is permitted for the successful supplier/bidder subject to;

11.8.9.1. Presentation of beneficiary's manually signed original commercial invoice.

11.8.9.2. Presentation of ship arrival quantity report issued by the independent inspector at discharge port, Colombo.

11.8.9.3. Presentation of tank cleanliness & dry certificate issued by the independent inspector, confirming that the ship's tanks are clean & dry prior to loading.

11.8.9.4. Presentation of quality and out-turn quantity report issued by the independent inspector at discharge port, Colombo.

11.8.9.5. Obtaining prior approval of the Buyer for such LOI format.

## **12. LOCAL AGENT & LOCAL AGENCY COMMISSION**

The local agent's commission of USD ..... Per Bbl (or MT) or lump sum will be deducted from the total DAP Colombo value and paid in Sri Lanka rupees/No local agency commission is payable.

## **13. TITLE AND RISK**

Title and risk/property of the products supplied under the terms of this contract shall pass on to the Buyer at the discharge port when product passes the Seller's vessel's permanent hose/discharging arm connection.

## **14. CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED**

14.1. Any claim whatsoever arising between the parties to this agreement, under the terms of this agreement shall be lodged in writing within sixty (60) days of receipt of product by the Buyer or in the case of the cargo is not delivered to the Buyer within sixty (60) days of the last date of the two day delivery laycan as notified by the Buyer. Otherwise any such claim shall be deemed to have been waived.

14.2. Every endeavour shall be made to settle any difference or dispute arising from any transaction between the Buyer and the Seller arising from any transaction by mutual negotiations, failing which such differences or disputes shall be settled by arbitration.

14.3. The place of arbitration shall be Colombo, Sri Lanka.

14.4. The Buyer and the Seller agree that any dispute arising out of or in connection with this contract including any question regarding its existence, validity or termination shall be finally settled under the rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL) procedures.

- 14.5. 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.
- 14.6. Arbitration shall be a condition precedent to the institution of any legal action by either party against the other.
- 14.7. This tender shall be governed by and construed in accordance with the Laws of Sri Lanka excluding any conflict of laws and rules.

## **15. DELIVERY OF PRODUCTS AT COLOMBO**

**The two day delivery laycan shall be commenced from 0001 hrs. of the first day of the delivery laycan up to the 2400 hrs. of the second day of the delivery laycan.**

### **15.1. Delivery of products for single berth at Dolphin Tanker Berth, Colombo**

- 15.1.1. For each shipment, a two day delivery laycan at Dolphin Tanker Berth, Colombo will be notified by the Buyer to the Seller, thirty (30) days before the first day of the two day delivery laycan. It is imperative that each shipment is delivered in Colombo during the delivery laycan notified by the Buyer in one tanker in one lot. However, under special circumstances the seller shall take every endeavor to deliver a cargo even notice of less than thirty (30) days prior to the first day of the two day delivery laycan. The seller to mutually discuss and agree with the delivery dates if notice is less than thirty (30) days.
- 15.1.2. Delivery of products should be made on DAP Colombo basis (incoterms 2010) in total cargo size of 280,000 Bbls at the two day delivery laycan indicated by the Buyer to the Seller, thirty (30) days ahead of the date of delivery or the first day of the delivery laycan.
- 15.1.3. The Buyer reserves the right to order even three cargoes per month giving notice with sufficient time to the Seller for each cargo. If two or three cargoes are requested in a particular month, notice shall be given forty (40) days prior to the first day of the two day delivery laycan of the second and third cargoes enabling the Seller to arrange the cargoes and the vessels for delivery at Colombo.

### **15.2. Delivery of products for single berth at SPM Muthurajawela, Colombo**

- 15.2.1. For each shipment, a two day delivery laycan at SPM Muthurajawela, Colombo will be notified by the Buyer to the Seller, thirty (30) days before the first day of the two day delivery laycan. It is imperative that each shipment is delivered in Colombo during the delivery laycan notified by the Buyer in one tanker in one lot. However, under special circumstances the seller shall take every endeavor to deliver a cargo even notice of less than thirty (30) days prior to the first day of the two day delivery laycan. The seller to mutually discuss and agree with the delivery dates if notice is less than thirty (30) days.

15.2.2. Delivery of products should be made on DAP Colombo basis (incoterms 2010) in total cargo size of 280,000 Bbls at the two day delivery laycan indicated by Buyer to the Seller, thirty (30) days before the first day of the said delivery laycan.

15.2.3. The Buyer reserves the right to order even three cargoes per month giving notice with sufficient time to the Seller for each cargo. If two or three cargoes are requested in a particular month, notice shall be given forty (40) days prior to the first day of the two day delivery laycan of the second and third cargoes enabling the Seller to arrange the cargoes and the vessels for delivery at Colombo.

**15.3. Delivery of products for dual berth discharge at SPM Muthurajawela, Colombo and Dolphin Tanker Berth, Colombo**

15.3.1. For each shipment, a two day delivery laycan for dual berth discharge at SPM Muthurajawela and Dolphin Tanker Berth, Colombo will be notified by the Buyer to the Seller, thirty (30) days before the first day of the two day delivery laycan. It is imperative that each shipment is delivered in Colombo during the delivery laycan notified by the Buyer in one tanker in one lot. However, under special circumstances the seller shall take every endeavor to deliver a cargo even notice of less than thirty (30) days prior to the first day of the two day delivery laycan. The seller to mutually discuss and agree with the delivery dates if notice is less than thirty (30) days.

15.3.2. Delivery of products should be made on DAP Colombo basis (incoterms 2010) in total cargo size of 280,000 Bbls at the two day delivery laycan indicated by the Buyer to the Seller, thirty (30) days before the first day of the delivery laycan.

15.3.3. The Buyer reserves the right to order even three cargoes per month giving notice with sufficient time to the Seller for each cargo. If two or three cargoes are requested in a particular month, notice shall be given forty (40) days prior to the first day of the two day delivery laycan of the second and third cargoes enabling the Seller to arrange the cargoes and the vessels for delivery at Colombo.

**16. LAYTIME FOR DISCHARGE AT COLOMBO**

**16.1. Laytime for discharge at Dolphin Tanker Berth, Colombo**

Laytime for the discharge of total cargo quantity of 280,000 Bbls in full at Dolphin Tanker Berth, Colombo shall be **96 hrs**, and the commencement of laytime shall be determined in the following manner.

16.1.1. Notice of Readiness (NOR) should be tendered between 0700 and 1700 hrs during delivery laycan agreed upon. 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 six (6) hrs. thereafter or at the time of mooring, whichever is earlier.

16.1.2. If NOR is tendered before the commencement of the delivery laycan agreed upon, it will be considered that NOR has been tendered at 0700 hrs on the first day of the laycan.

Laytime shall in such case commence six (6) hrs. thereafter or at the time of mooring, whichever is earlier.

- 16.1.3. If the vessel is moored prior to the delivery laycan agreed upon, at the request of the Seller the laytime shall commence at 0700 hrs on the first day of the laycan.
- 16.1.4. If NOR is tendered after 1700 hrs of the second day of the delivery laycan agreed upon, for all purposes it will be considered that NOR has been tendered at 0700 hrs. on the following day and laytime shall commence six (6) hrs. thereafter or at the time of mooring, whichever is earlier.
- 16.1.5. If NOR is tendered after the second day of the delivery laycan agreed upon, laytime shall commence at the time of berthing subject to the condition that the laytime shall ceased to count if the vessel shall be un-berthed to allow berthing of other vessels arriving on agreed delivery laycan or berthing of other vessels on product availability basis of the country. Under these circumstances, the actual time utilised by the vessel at the berth shall only be considered as used laytime.

#### **16.2. Laytime for discharge at SPM Muthurajawela, Colombo**

Laytime for the discharge of total cargo quantity of 280,000 Bbls in full at SPM Muthurajawela, Colombo shall be **96 hrs.** and the commencement of laytime shall be determined in the following manner.

- 16.2.1. NOR should be tendered between 0600 and 1500 hrs during delivery laycan agreed upon. 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 six (6) hrs. thereafter or at the time of mooring, whichever is earlier.
- 16.2.2. If NOR is tendered before the commencement of the delivery laycan agreed upon, it will be considered that NOR has been tendered at 0600 hrs on the first day of the laycan. Laytime shall in such case commence six (6) hrs. thereafter or at the time of mooring, whichever is earlier.
- 16.2.3. If the vessel is moored prior to the delivery laycan agreed upon, at the request of the Seller the laytime shall commence at 0600 hrs on the first day of the laycan.
- 16.2.4. If NOR is tendered after 1500 hrs of the second day of the delivery laycan agreed upon, for all purposes it will be considered that NOR has been tendered at 0600 hrs. on the following day and laytime shall commence six (6) hrs. thereafter or at the time of mooring, whichever is earlier.
- 16.2.5. If NOR is tendered after the second day of the delivery laycan agreed upon, laytime shall commence at the time of berthing subject to the condition that the laytime shall ceased to count if the vessel shall be un-berthed to allow berthing of other vessels arriving on agreed delivery laycan or berthing of other vessels on product availability basis of the

country. Under these circumstances, the actual time utilised by the vessel at the berth shall only be considered as used laytime.

- 16.2.6. Berthing of tankers 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).

**16.3. Laytime for dual berth discharge at Dolphin Tanker Berth, Colombo and SPM Muthurajawela, Colombo**

Laytime for the dual berth discharge of total cargo quantity of 280,000 Bbls products at Dolphin Tanker Berth, Colombo or SPM Muthurajawela, Colombo shall be **96 hrs.** and the commencement of laytime shall be determined in the following manner.

- 16.3.1. If the first berth is Dolphin Tanker Berth, Colombo laytime starts as per clause 16.1. given above and if the first berth is SPM Muthurajawela, Colombo laytime starts as per clause 16.2. given above.
- 16.3.2. Sailing time either from SPM Muthurajawela to Dolphin Tanker Berth, Colombo or vice versa shall not be counted as used laytime.
- 16.3.3. Berthing of tankers 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).

**17. NOTICE OF ARRIVAL AT COLOMBO**

Master of vessel should advise estimated time of arrival (ETA) at Colombo 3/2/1 days and 12 hrs. in advance to the Commercial Manager, CEYPETCO tel no. +94-11-5664649 fax nos. +94-11-5455406/5455400 e-mail: cm@ceypetco.gov.lk, The Manager (Shipping), CEYPETCO tel no. +94-11-5455300 fax no. +94-11-5455407 e-mail: shipping@ceypetco.gov.lk, The Deputy Manager (Operations), CEYPETCO fax no. +94-11-5455432 e-mail: menakaj@ceypetco.gov.lk, The Manager (Operations) at Oil Facilities Office, CPSTL, Colombo tel no. +94-11-2422388 / fax +94-11-2434273, The Manager (Bulk movements and bulk products), CPSTL, Colombo tel/fax no. +94-11-2572324 and the Manager (Operations), Muthurajawela tel no. +94-11-5769519 fax no. +94-11-5353352 via vessel agent at Colombo.

## **18. VESSEL REQUIREMENTS**

### **18.1. Requirements of tankers for discharging of product via Dolphin Tanker Berth, Colombo**

Vessel nominated

18.1.1. should meet following Colombo port restriction:

|  |   |                         |
|--|---|-------------------------|
| Type of hull                               | - | Double hull             |
| SDWT                                       | - | 60,000 metric tons 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.        |

18.1.2. Shall not exceed 20 years of age. Under no circumstances vessels over 20 years of age will be accepted. Acceptable CAP rating of the vessel is 0 or 1 for hull and machinery.

18.1.3. Should be a clean tanker which has carried clean petroleum products on the last three voyages. (OBO carriers are not acceptable).

18.1.4. Should be capable of discharging a cargo of Gas Oil (0.05% Max Sulphur) simultaneously through two adjoining manifolds at a minimum discharging rate of 270 m<sup>3</sup> per hour and 400 m<sup>3</sup> per hour through two lines of 10 inch and 12 inch diameter respectively while maintaining pressure at vessel's manifolds from 10.0 kg/cm<sup>2</sup> to 12.5 kg/cm<sup>2</sup> respectively. Two numbers manifold connections will be provided for the discharge of products simultaneously through two numbers 6 inch loading / discharging arms.

18.1.5. Should be capable of flushing both 10 inch & 12 inch lines each having, 7,000 meter length, discharge line with minimum of 5.0 kg/cm<sup>2</sup> pressure at manifold, with sea water about four (4) hours each before commencement and after completion of discharge of the product.

18.1.6. Should be equipped with double valve segregation which will have to be confirmed by the independent inspectors.

18.1.7. Availability of continuous pressure monitoring and recording / reporting facilities shall be preferred.

18.1.8. Should have all valid certificates required under the international and national rules & regulations applicable & should be ISM code certified or whose owners or operators should hold an ISM code document of compliance.

18.1.9. Should have cargo tanks/ pipe lines/ pumps/ strainers clean and dry prior to commencement of loading.

18.1.10. A document from vessel owners confirming that the vessel complies with all the above requirements from sub clause 18.1.1. to sub clause 18.1.9. and the lasted updated questionnaire 88 should be furnished at the time of vessel nomination.

18.1.11. In the event of a delay in discharging the cargo at Colombo due to vessel's non-compliance with the above requirements from sub clause 18.1.1. to sub clause 18.1.10. the Seller will be held liable for all consequential losses.

18.1.12. Accommodation/meals

18.1.12.1. Following personnel would stay on board throughout the period of tanker made fast at Dolphin Tanker Berth.

18.1.12.1.1. two loading masters

18.1.12.1.2. one sample collector (crew)

18.1.12.1.3. one independent inspector (junior officer)

18.1.12.1.4. one internal auditor from CPSTL

18.1.12.2. Proper accommodation on officers' deck should be arranged for loading masters, independent inspectors and internal auditor from CPSTL.

18.1.12.3. Meals for loading masters, independent inspectors and internal auditor from CPSTL should be served in officers' dining saloon.

18.1.13. There shall be no inspections/survey on board while discharging.

18.1.14. After acceptance of the nominated vessel by the Buyer, a certified copy of the applicable charter party or a certified copy of the signed fixture note / fixture recap including the rate of demurrage shall be submitted by the Seller.

## **18.2. Requirements of tankers for discharging of product via SPM Muthurajawela, Colombo**

Vessel nominated

18.2.1. Should meet following restrictions at SPM Muthurajawela, Colombo (Dual Path Buoy)

|                    |   |                              |
|--------------------|---|------------------------------|
| 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. |

18.2.2. Shall not exceed 20 years of age. Under no circumstances vessels over 20 years of age will be accepted. Acceptable CAP Rating of the vessel is **0 or 1** for Hull and Machinery.



- 18.2.3. Should be a clean tanker, which has carried clean Petroleum products on the last three voyages (OBO carriers are not acceptable).
- 18.2.4. Should be capable of discharging Gas Oil (0.05% Max Sulphur) through 12 inch port manifold at a minimum discharge rate of 750 m<sup>3</sup> per hour through 12 inch floating hose, while maintaining pressure at vessel's manifolds from 5.0 kg/cm<sup>2</sup>.
- 18.2.5. Should be capable of flushing the 18 inch, 7,000 meter length, discharge line with minimum of 5.0 kg/cm<sup>2</sup> pressure at manifold, with sea water about four (4) hours each before commencement and after completion of discharge of product.
- 18.2.6. Should be equipped with double valve segregation which will have to be confirmed by the independent inspectors.
- 18.2.7. Availability of continuous pressure monitoring and recording / reporting facilities shall be preferred.
- 18.2.8. Should have all valid certificates required under the international and national rules and regulations applicable and should be ISM Code certified or whose owners or operators should hold an ISM Code document of compliance.
- 18.2.9. Should have cargo tanks/ Pipe lines/ Pumps/ Strainers clean and dry prior to commencement of loading.
- 18.2.10. A document from vessel owners confirming that the vessel complies with all the above requirements from Sub Clause 18.2.1. to Sub Clause 18.2.9. and the questionnaire 88 should be furnished at the time of vessel nomination.
- 18.2.11. In the event of a delay in discharging the cargo at Colombo due to vessel's non-compliance with the above requirements from Sub Clause 18.2.1. to Sub Clause 18.2.10. the Seller will be held liable for all consequential losses.
- 18.2.12. Vessel Mooring equipment and Manifolds should conform to OCIMF Standards.
- 18.2.13. Manifold
  - Manifold location - Midship (port side)
  - Manifold connection - One 12 inch studed Camlock Flange ANSI Class 150
- 18.2.14. Details of Derrick at Manifold location
  - Derrick should have minimum safe working load of 10 MT and should be in good operational condition.
- 18.2.15. Mooring equipment, mooring and towing arrangement
  - 18.2.15.1. Tanker should be fitted with a central bow stopper (chain stopper) of 100 Tonnes SWL for OCIMF chafe chain "b"

- 18.2.15.2. Tanker should be fitted with a central bow fair lead (bull ring) measuring at least 600 mm x 450 mm
  - 18.2.15.3. Position of pedestal roller fairlead/winch drum
    - 18.2.15.3.1. Should be a continuation of the direct lead line between the bow fairlead (bull ring) and bow chain stopper.
    - 18.2.15.3.2. Should be not less than 4.5 meters directly behind the bow chain stopper.
    - 18.2.15.3.3. Should be at such a height that fairlead rollers will enable an unrestricted line pull to be achieved.
  - 18.2.15.4. Pedestal fairlead should be fitted for lead to winch/windlass.
  - 18.2.15.5. 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.
  - 18.2.15.6. Tanker should have a "Panama" lead right aft on its centre line.
  - 18.2.15.7. A good tow rope (polypropylene) of 10" Circm 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.
  - 18.2.15.8. Mooring masters should have free access to navigational charts and equipment's required for mooring operation.
  - 18.2.15.9. Wheel house to be kept open throughout the period the tanker made fast to the buoy.
  - 18.2.15.10. A fore-castle watchman to be made available by the tanker throughout the period the tanker made fast to the buoy.
  - 18.2.15.11. All tools required for connection/disconnection of cargo hose to be supplied by the tanker.
  - 18.2.15.12. Connection/disconnection of hose is the responsibility of ship's staff under the supervision of a ship's officer on the instructions of Buyer's officials on board the tanker.
  - 18.2.15.13. Tanker's main engine should be kept ready throughout the period of stay at the buoy for manoeuvring promptly on notice.
- 18.2.16. 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.

18.2.17. 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.

18.2.18. Accommodation/meals

18.2.18.1 Following personnel would stay on board throughout the period of tanker made fast to the buoy.

18.2.18.1.1. Two mooring masters (senior master mariners)

18.2.18.1.2. One cargo receiver

18.2.18.1.3. One loading master

18.2.18.1.4. One sample collector (crew)

18.2.18.1.5. One independent inspector (junior officer)

18.2.18.1.6. One internal auditor from CPSTL

18.2.18.2 Proper accommodation on officers' deck should be arranged for loading masters, independent inspectors and internal auditor from CPSTL.

18.2.18.3 Meals for loading masters and independent inspectors should be served in officers' dining saloon.

18.2.19. A document from tanker owners confirming that the tanker complies with all the above requirements.

18.2.20. There shall be no inspection / survey on board while discharging.

18.2.21. After acceptance of the nominated vessel by the Buyer, a certified copy of the applicable charter party or a certified copy of the signed fixture note / fixture recap including the rate of demurrage shall be submitted by the Seller.

**19. LIQUIDATED DAMAGES**

19.1. The Seller is fully responsible to deliver the cargo within the agreed delivery date/laycan. Failure to comply with the agreed delivery date/laycan will make the Seller liable for liquidated damages of **zero point two five percent (0.25%)** of the DAP value per day **pro-rata** for each day of delay after 2400 hrs. of the last day of the two day delivery laycan until vessel tender NOR at discharge port at Colombo. If the delay exceeds six days after the last date of the agreed delivery laycan without obtaining prior approval, the Buyer will reserve the right to terminate the contract.

19.2. The Seller is fully responsible to deliver the agreed quantity of cargo under each shipment. In the event of failure to deliver the agreed quantity below minus five percent (-5%) for Gas Oil (0.05% Max Sulphur) (contractual per shipment quantity vs. B/L quantity), will make the Seller liable for

the payment of damages or losses to the Buyer **at the rate of USD 10,000 per each 1,000 MT of short loaded quantity or part thereof on pro-rata basis.**

19.3. Such claim in respect of the liquidated damages must be notified to the Seller in writing within sixty (60) days of the date of disconnection of hoses of Seller's nominated vessel at discharge port, Colombo with full supporting documentation that the Seller may reasonably require. Any such documentation not then available shall be provided to the Seller within seventy five (75) days of the disconnection of hoses of Seller's nominated vessel at discharge port, Colombo. If the Buyer fails to give such notice or provide such documentation within the above respective time limits, then the Buyer's claim shall be deemed to have been waived and any liability of the Seller shall be extinguished.

19.4. If the Seller fails to deliver any full shipment unless agreed for an alternative in writing, buyer will reserve the right to encash the Performance Security Guarantee.

## **20. TERMINATION**

This agreement may be terminated;

20.1. By mutual consent of both parties.

20.2. In the event of product specifications are not in conformity with the requirements given in Annex – 'A' and the Seller fails to perform as per the remedy under Clause 9. the Buyer reserved the right to terminate the contract at its own discretion.

20.3. If the delay exceeds six (06) days after the last date of the agreed delivery laycan without obtaining prior approval from the Buyer.

20.4. In the event that either the Seller or the Buyer is in breach of any of the terms and conditions of the contract.

20.5. In the event the Buyer is unable to purchase agreed quantities as per the tender before the expiry of the contract on 31/10/2020, extension of the contract to purchase balance quantities is permitted only upon mutual consent, expressed in writing, provided the Buyer has obtaining the approval of the Cabinet of Ministers for such extension. In the event that either party does not agree for extension of the contract, the contract shall be automatically terminated.

## **21. LINE FLUSHING AT DOLPHIN TANKER BERTH, COLOMBO**

The vessel nominated by the Seller should be capable of flushing the 12 inch, 7,000 Meter length, discharge line with minimum of 5.0 Kg/cm<sup>2</sup> pressure at manifold, with sea water about four (4) hours each before commencement and after completion of discharge of Gas Oil (0.05% Max Sulphur) according to the following sequence,

21.1. On arrival before discharging, vessel shall flush the discharge line with sea water for four (4) hours

21.2. Then commence discharging Gas Oil (0.05% Max Sulphur)

21.3. On completion of discharging Gas Oil (0.05% Max Sulphur) discharge line will be once again flushed with sea water for four hours.

21.4. The Seller shall make sure giving proper instructions to the master of the performing vessel to use Cargo Pumps for line flushing operations while avoiding Stripping Pumps for line flushing. All delays due to low rate of line flushing shall be the responsibility of the Seller.

## **22. LINE FLUSHING AT SPM MUTHURAJAWELA, COLOMBO**

The vessel nominated by the Seller should be capable of flushing the 18 inch, 7,000 Meter length, discharge line with minimum of 5.0 kg/cm<sup>2</sup> pressure at manifold, with sea water about four (4) hours each before commencement and after completion of discharge of Gas Oil (0.05% Max Sulphur) according to the following sequence.

22.1. On arrival before discharging, vessel shall flush the discharge line with sea water about four (4) hours

22.2. Then commence discharging Gas Oil (0.05% Max Sulphur)

22.3. On completion of discharging Gas Oil (0.05% Max Sulphur) discharge line will be once again flushed with sea water for four (4) hours.

22.4. The Seller shall make sure giving proper instructions to the master of the performing vessel to use Cargo Pumps for line flushing operations while avoiding Stripping Pumps for line flushing. All delays due to low rate of line flushing shall be the responsibility of the Seller.

## **23. DEMURRAGE**

23.1. All claims for demurrage shall be accompanied by the respective charter party or a certified copy of the signed fixture note / fixture recap. The Buyer shall not be bound by the terms and conditions of the charter party or a certified copy of the signed fixture note / fixture recap except to the extent such terms and conditions have been communicated to the Buyer and expressly agreed to by the Buyer in writing.

23.2. In case of vessel arriving outside laycan agreed upon, laytime to start counting from the time of berthing as per Sub Clauses 16.1.5. and 16.2.5.

23.3. If the total laytime to complete the entire cargo discharge exceeds the laytime allowed as per Clause 16. Buyer will be liable to pay the demurrage to the Seller.

23.4. However in the event the seller's vessel arrives late and is berthed on arrival which affects berthing of vessel or vessels which are arriving on schedule, then the Seller's vessel will be unberthed (waiting time shall not be counted as used laytime) to accommodate the vessel or vessels arriving on schedule or continue to discharge the cargo of the Seller's vessel provided that the Seller shall agree to bear the demurrages on the subsequent three vessels that arrive on schedule and gets delayed due to the presence of Seller's vessel on berth. Liability for demurrages on subsequent vessels mentioned herein are in addition to the recovery of damages or losses for CEYPETCO charged under Clause 19. (Liquidated Damages).

Moreover the Buyer reserves the right to berth the vessel only on pier availability basis and based on the requirement for the products in the country. Furthermore Buyer shall not be responsible for any demurrages incurred by the Seller's vessel arriving outside the contractual laycan. The Buyer shall take every endeavour to minimize the overall commercial loss to all parties.

In the event the Seller does not agree to bear the subsequent demurrages (if incurred) and in the event if the subject vessel could not complete the discharging before the arrival of subsequent vessel/s, the Buyer reserves the right to remove the subject vessel from the berth in order to accommodate the subsequent vessel/s of other suppliers. In such a case, the subject vessel will be rebirthed only after the completion of the discharging of the subsequent vessel/s and/or on the pier availability basis.

In any circumstances, the Buyer requires to unload the product on board the vessel as per the product requirement to ensure the energy security of the country, the Buyer compels to discharge the minimum requirement of the cargo on board the subject vessel and all cost involvements in this event such as demurrages of the subsequent three vessels, commercial losses (if any) shall be borne by the Seller.

23.5. Demurrage rate of the nominated vessel shall be declared by the Seller at the time of vessel nomination for each cargo.

23.6. After acceptance of the nominated vessel by The Buyer, a certified copy of the applicable charter party or a certified copy of the signed fixture note / fixture recap including the rate of demurrage shall be submitted by the Seller. The Buyer prefers to have a certified copy of the signed charter party.

#### **24. 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.

#### **25. CONFIDENTIALITY**

The information contains in this agreement and all information exchanged relating to it are confidential between the Buyer and the Seller. Neither the Buyer nor the Seller shall, without the other's prior written consent, disclose such information to any person outside its own organization except to the extent that disclosure may be legally compulsory to any Government Authority.

**26. ASSIGNMENT**

The rights and contractual responsibilities pertaining to this contract are not assignable to any third party.

**27. TAXES, DUTIES AND FEES**

All taxes, duties and fees related to the importation of the products imposed by the government of Sri Lanka are for Buyer’s account.

**28. OTHER REQUIREMENTS**

All other requirements are as per the Tender Invitation (REF: BK/TERM/GAS OIL (0.05% M.S.)/DTB-MUTHU/2020-R) **ACTG. COMMERCIAL MANAGER/CEYPETCO/CE/0128** dated 07/11/2019 and CEYPETCO standard terms and conditions available with the Seller.

**29. SELLER’S CONTACTS**

Correspondence Address:

.....  
.....,  
.....,  
.....

Seller - .....  
Contact Person - .....  
Telephone - .....  
Facsimile - .....  
E-mail - .....

**30. BUYER’S CONTACTS**

Correspondence Address:

Ceylon Petroleum Corporation (CEYPETCO),  
No. 609, Dr. Danister De Silva Mawatha,  
Colombo 09,  
Sri Lanka.

Buyer - Ceylon Petroleum Corporation  
Contact Person - Actg. Commercial Manager  
Telephone - +94 115 455405 / +94 115 455113  
Facsimile - +94 11 5 455406  
E-mail - cm@ceypetco.gov.lk

Contact Person - Mahendra Garusinghe – Deputy General Manager (Commercial & Supply Chain)  
Telephone - +94 115 455122  
Facsimile - +94 11 5 455406  
E-mail - mahendrag@ceypetco.gov.lk

In witness whereof the parties hereto have placed their signatures in duplicate on the date herein indicated.

| <b>SELLER</b>  | <b>BUYER</b>   |
|--|--|
| Signature : .....<br>Name : .....<br>Designation : .....<br>On Behalf Of : ..... | Signature : .....<br>Name : .....<br>Designation : .....<br>On Behalf Of : CEYLON PETROLEUM<br>CORPORATION |
| Signature : .....<br>Name : .....<br>Designation : .....<br>On Behalf of : ..... | Signature : .....<br>Name : .....<br>Designation : .....<br>On Behalf of : CEYLON PETROLEUM<br>CORPORATION |
| Date : .....   | Date : .....   |
| <b>WITNESS</b>   | <b>WITNESS</b>   |
| 1. ....<br>(Signature)   | 1. ....<br>(Signature)   |
| .....<br>(Name)  | .....<br>(Name)  |
| 2. ....<br>(Signature)   | 2. ....<br>(Signature)   |
| .....<br>(Name)  | .....<br>(Name)  |



**SPECIFICATIONS FOR GAS OIL (0.05% MAX SULPHUR)**

| PROPERTY/TEST                                  | TEST METHOD               | SPECIFICATIONS   |
|--|---------------------------|--|
| APPEARANCE                                     |                           | CLEAR, BRIGHT AND FREE FROM WATER & VISIBLE IMPURITIES |
| DENSITY AT 15 °C kg/m <sup>3</sup>             | ASTM D 1298 / ASTM D 4052 | 820 - 860  |
| COLOUR   | ASTM D 1500               | MAX. 1.5   |
| DISTILLATION                                   | ASTM D 86                 |  |
| IBP °C   |                           | REPORT   |
| T10 °C   |                           | REPORT   |
| T50 °C   |                           | REPORT   |
| T85 °C   |                           | MAX. 350   |
| T95 °C   |                           | MAX. 370   |
| CETANE INDEX OR                                | ASTM D 976 / ASTM D 4737  | MIN. 46 (NOTE 1)                                       |
| CETANE NUMBER                                  | ASTM D 613                | MIN. 49  |
| CLOUD POINT °C                                 | ASTM D 2500               | MAX. 15  |
| CFPP °C  | ASTM D 6371               | MAX. 5   |
| SULPHUR CONTENT mg/kg                          | ASTM D 4294 / ASTM D 2622 | MAX. 500   |
| FLASH POINT °C                                 | ASTM D 93                 | MIN. 55  |
| VISCOSITY KIN AT 40 °C, cSt                    | ASTM D 445                | 2 - 4.5  |
| WATER CONTENT (mg/kg)                          | ASTM D 6304               | MAX. 200   |
| CU - STRIP CORROSION 3 hrs AT 50 °C            | ASTM D 130                | MAX. 1   |
| ASH % m/m                                      | ASTM D 482                | MAX. 0.01  |
| CARBON RESIDUE, % m/m                          | ASTM D 524 / ASTM D 4530  | MAX. 0.3   |
| PARTICULATE CONTAMINANTS, TOTAL mg/L           | ASTM D 6217               | MAX. 10  |
| TOTAL ACID NO. mg KOH/g                        | ASTM D 664                | MAX. 0.08  |
| CALORIFIC VALUE GROSS kcal/kg                  | ASTM D 240                | MIN. 10500   |
| OXIDATION STABILITY g/m <sup>3</sup>           | ASTM D 2274               | Max. 25  |
| DSEP RATING                                    | ASTM D 7261               | 50 – 100   |
| FAME   | ASTM D 7371               | NON DEDECTABLE (NOTE 2)                                |
| LUBRICITY<br>(HFRR wear scar dia.@60°C) micron | ASTM D 6079               | MAX. 460   |

**IMPORTANT:**

NOTE 1 : NOT APPLICABLE IF ANY CETANE IMPROVER ADDITIVE IS PRESENT

NOTE 2 : ADDITION OF BIO DIESEL OR BIODIESEL BLENDS ARE NOT PERMITTED