

Section I

Invitation for EOI (IFEOI)

Expression of Interest (EOI) for Partnering With CSC in Sea Transportation of Coal for the Lakvijaya Power Station at Puttalam, Sri Lanka – 2019/20 to 2020/21

Tender No: CSC/2019/T/Coal/COA/1

Date of Issue: 24th June 2019

1. Introduction

- 1.1. Ceylon Shipping Corporation Ltd. (CSC), coming under the purview of the Ministry of Ports, Shipping & Southern Development, is the 100% Government Owned National Sea Carrier of Sri Lanka, and the contractor of Lanka Coal Company (Pvt) Ltd. (LCC) for sea transport of coal, since the year 2010.
 - 1.2. LCC, which is a Joint Venture of Ceylon Electricity Board (CEB), was incorporated in January 2008 as the authorized agency for the procurement, import and supply of coal to meet full requirements of all coal for the coal fired power stations of CEB. Other shareholders of LCC are General Treasury of the Government of Sri Lanka, Ceylon Shipping Corporation Ltd. and Sri Lanka Ports Authority.
 - 1.3. Coal is procured and supplied by LCC for the 900 MW Lakvijaya Power Station (LVPS), owned and operated by CEB, situated at Puttalam, Sri Lanka, about 130 km north of Colombo on the West Coast of Sri Lanka. LCC procures Coal through Term Tenders as well as through Spot Tenders.
 - 1.4. Since the South-West Monsoon affects the port of Puttalam, discharging of coal can be done only during a limited window of approximately between mid-September and end-April in each Contract Year (hereinafter referred as a "Season"), always subject to mutual agreement among all the stakeholders.
 - 1.5. LCC has called its 'Term Tender' on 14th June 2019, for procurement of about 70% of the Coal requirements i.e. about 3.2 million MT +/- 10% for supply in two Seasons. The Tender will be closed on 26th July 2019. In this Tender Bidders should offer FOB Prices of Coal and Base Freight Charges from one Main Port and Optional Ports to the Discharging Anchorage at Puttalam port, separately.
 - 1.6. By virtue of a decision of the Cabinet of Ministers of the Government of Sri Lanka, CSC will be given the "Right of First Refusal" by LCC to match the Base Freight Rate/s quoted by the Bidder to be selected in the aforesaid Term Tender of LCC.
 - 1.7. This EOI is called by CSC for selection of a suitable ship owning Partner, to deploy their owned ships as well chartered ships in addition to ships owned and chartered by CSC. The Selected Partner shall enter into a Contract of Affreightment (COA) with CSC to transport the quantity offered to the Selected Partner by CSC.
 - 1.8. This EOI is the First Stage for prequalifying and shortlisting of Bidders to be followed by competitive bidding at the Second Stage.
-

he pre-qualified and shortlisted Bidders should offer lower Base Freight Rate/s than the Base Freight Rate/s from various load ports quoted by the Bidder (Supplier) to be selected in the aforesaid Term / Spot Tender of LCC.

Accordingly, the selection at the Second Stage will be based on the lowest evaluated substantially responsive Base Freight Rate/s than the Base Freight Rates offered by the selected Coal Supplier.

- 1.9. When CSC confirms matching the declared Base Freight Rate/s from the respective load ports to the anchorage of the port of Puttalam in due course, LCC shall enter into a back-to-back COA with CSC for the entire quantity of Coal requirement of CSC, subject to the approval of the Cabinet of Ministers of the Government of Sri Lanka. In turn CSC shall enter into a COA with the selected Ship Owner.
- 1.10. The Coal quantity offered under this EOI / COA will be about 1,100,000 MT +/- 20% per Season for two (02) Seasons at CSC's option. Parcel size shall be 60,000 MT +/- 10%. The selected Partner should use their owned ships, and if necessary chartered ships for deployment under this COA.
- 1.11. The agreed Base Freight Rate/s under the COA may be applicable for coal shipments to be purchased by LCC through the Spot Tenders as well.
- 1.12. At this First Stage of the selection (EOI), Standing Cabinet Appointed Procurement Committee (SCAPC) will prequalify dry-bulk ship owning companies, which operate ships and are interested in partnering with CSC under a COA for 02 (two) Seasons.
- 1.13. For being shortlisted for the Second Stage of Bidding such dry-bulk ship owning companies should have a good track record, financial, operational and chartering capacities.

2. Invitation

In this First Stage, Chairman, Standing Cabinet Appointed Procurement Committee (SCAPC) of the Ministry of Ports & Shipping and Southern Development, on behalf of CSC, invites suitable dry-bulk ship owning companies, which operates ships, to submit their Expressions of Interest (EOI) for Partnering with CSC by deployment of their owned as well as chartered ships in Sea Transportation of Coal for the LVPS under a COA, as follows;

- (a) To submit EOI for prequalification for being shortlisted;
- (b) If shortlisted for the Second Stage it is compulsory to;
 - i. Agree to offer lower Base Freight Rates to be intimated by CSC, which could be from one or more load ports, when called upon by CSC at short notice (02 – 03 days);
 - ii. Offer sea training for Sri Lankan Merchant Marine Cadets, on board their ships.

The Eligibility Criteria and the Steps for the Selection at the Second Stage is elaborated in the Section II under Instructions to the Bidders (ITB).

This invitation is extended by the SCAPC on behalf of the Procuring Entity, Ceylon Shipping Corporation Ltd.

3. EOI Documents

In addition to this Invitation for EOI (Section I), please find enclosed EOI Documents: Instructions to Bidders (ITB) and its Forms and Annexures in the Section II and the Draft COA and its Annexures in the Section III.

4. Submission of EOIs

The Form to express interest for prequalification purposes together with the supporting documents addressed as follows shall be submitted by hand or sent by courier to;

Chairman
Standing Cabinet Appointed Procurement Committee (SCAPC)
Ministry of Ports & Shipping and Southern Development
No. 19 Chithya Road,
Colombo 00100
Sri Lanka

EOIs will be received up to the EOI Closing Date of 25th July 2019 until 1500 hours Sri Lanka time.

5. Late EOIS

EOIs received after the deadline for submission as stipulated in EOIDS will be rejected.

6. Opening of EOIs

EOIs will be opened soon after closing of the EOI by an Opening Committee in the presence of the ship owners or their representatives at the time and date and at the address named in the EOIDS in ITB.

7. Bidding Procedure

A Single Stage Bidding Procedure will be adopted at the Second Stage, which is explained in the ITB.
