

I T No. 1262/106/DMP (Navy)
Ministry of Defence Production
Dte General Munitions Production
Pak Sectt No II, Rawalpindi PAKISTAN
0092-51-9270950

January 2015

Subject: **INVITATION TO TENDER AND GENERAL INSTRUCTIONS FOR THE PROVISION OF 06 MARITIME PATROL VESSELS (MPVs)**

Dear Sir;

1. I invite you to tender for the construction of 06 x Maritime Patrol Vessels (MPVs) alongwith supply of ammution for 30 mm Guns on Preferential Sellers Credit Basis (soft loan) as per details indicated in the Schedule to Tender (Form DP-2), its Annexes and appendices attached with this Tender Invitation.

2. **Conditions Governing Contract.** The 'Contract' made as a result of this IT shall mean the agreement entered into between the parties i.e. the 'Purchaser' and the 'Contractor', at Directorate General Munitions Production (DGMP), Ministry of Defence Production, Pak Sectt No II Rawalpindi, in accordance with the contract Act, 1872 and those terms and conditions contained in relevant Defence Procedure and other special conditions that may be added to given contract for the subject construction specified herein this IT and its Annexes and appendices.

3. **Submission of Tender.** The offer is to be submitted as under:-

a. **Commercial Offer.** The offer will be in duplicate and indicate prices quoted in figures as well as in words. It should be clearly marked on the envelope "Commercial Offer", tender number and date of opening. Taxes, duties, cost of freight/transportation insurance charges (CIF) etc are to be indicated separately. Total price being quoted against the tender is to be clearly mentioned. The details required to be submitted in Commercial offer are specified in **Appendix-II** to Schedule to Tender.

b. **Technical Offer:** Should contain all relevant specifications/information as required vide annexes to this IT in triplicate alongwith essential literature/brochure and drawings duly packed in an envelope clearly marked "Technical Offer" without prices, tender number and date of opening. The details required to be submitted in Technical offer are specified in **Appendix-I** to schedule to Tender under heading Scope of Supplies.

c. **Offset Package:** The bidder shall propose a standalone offset package in a separate sealed envelope. The details of offset package will be discussed during contract negotiations.

Special Instructions: *Tender documents and its conditions may please be read point by point and understood properly before quoting. All tender conditions should be responded clearly. In case of any deviation due to non acceptance of tender condition(s), the same should be highlighted alongwith your changed offer/conditions. Tender may however be liable to be rejected due to non acceptance of any one or more conditions outlined by Purchaser in this IT.*

d. Technical offer i.e. without prices will be opened on the date and time specified in the form DP-2 and will be technically scrutinized by the Purchaser's team. Commercial offer will be opened, when technical offer is accepted by technical authorities. Date of opening for commercial offer would be intimated to the firm in advance.

e. Firms shall submit offer in three separate envelopes (i.e. two copies of commercial offer with Preferential Seller credit (soft loan) offer, two copies of offset package and three copies of the technical offer. The commercial offer will include rates of items/services called for and the technical offer will not indicate the rates. Both types of offers (commercial with seller credit and offset package and technical offer) are to be enclosed in separate covers and each envelope shall be properly sealed bearing the signature of the bidder. Each cover shall indicate type of offer, number and date of IT and its opening date. Thereafter both the envelopes (technical and commercial offer) shall be placed in one envelope (second cover) duly sealed and signed. This cover should bear the address mentioned here-in-under indicating, issuance date of IT and No, with its opening date. This should be further placed in another cover (third cover), addressed as indicated here-in-under, without any indication that there is a tender inside:

Commodore Khalid Masood SI (M)
Director Munitions Production (Navy)
Ministry of Defence Production
Directorate General Munitions Production
Pakistan Secretariat No II, Rawalpindi Pakistan
Tel: 92 51 9270950 Fax: 92 51 9271464

4. **Date and Time for Receipt of Tender.** Your tender must reach this office by the date and time specified in the Schedule to Tender (Form DP-2) attached. This Directorate will not accept any excuse of delay occurring in post. Tender received after the appointed/fixed time will NOT be entertained. The appointed time will, however, fall on next working day in case of closed/forced holiday.

5. **Tender Opening.** Technical and Commercial Offers will be opened as per the timings mentioned in Schedule to Tender (form DP-2).

6. **Validity of Offer.** The validity period of quotation must be indicated and should invariably be 120 days extendable to 150 days from the date of opening of commercial offer.

7. **Photocopies of Documents.** Principal/Agency Agreement (In case of local rep) in original specifying the project must be provided/ attached with the offer:

8. **Disqualification.** Offer is liable to be rejected if:-

a. Technical offer is not meeting the technical specifications of MPVs and or is not complying with the technical terms and conditions of IT.

b. The original design of offered MPVs is not proven.

c. The name of selected foreign Shipyard is not specified in technical offer.

d. The selected foreign Shipyard is not presently constructing or has not delivered MPVs or any craft of similar size and specifications during last ten years.

- e. Preferential Seller Credit having value of 80% of total cost of the project is not quoted along-with Commercial Offer on the basis of Soft Term Loan to be repaid during 05 years after the delivery of each MPV.
- f. Technical and Commercial offers are found incomplete and or contain un-initialed/un-authenticated corrections/overwriting/amendments.
- g. Multiple rates are quoted against one item.
- h. Required machinery, equipment, systems, documentations, or any Transfer of Technology items are quoted as optional for the sake of becoming lowest bidder.
- j. Offers which are made through fax/email/cable/telex.
- k. There is any major deviation from the General/Special/Technical Instructions.
- l. Offer is found conditional or incomplete in any respect.
- m. Received later than appointed/fixed date and time.
- n. Subject to restriction of export license.
- p. Principals invoice in duplicate clearly indicating whether prices quoted are inclusive or exclusive of the agent commission is not enclosed.
- q. Earnest money/Treasury Challan not provided where applicable.
- r. If validity of offer is not quoted as required in IT or made subject to confirmation later.

9. **Earnest Money/Tender Bond**

- a. Your tender must be accompanied by a Bank Draft amounting to US\$ 50,000/- or equivalent in Pak Rupees in favour of CMA(DP) Rawalpindi as earnest money against IT. Bid Bond or Bank Guarantee as Tender bond will not be accepted.
- b. **Return of Earnest Money (EM)**. EM will be returned as per following criteria:
 - i) EM of lowest bidder will be returned on submission and acceptance of BGs by CMA (DP) upon become effective of contract.
 - ii) EM of 2nd and 3rd lowest bidder will be returned upon signing of contract.
 - iii) EM of firms other than those mentioned at i and ii above will be returned after opening of commercial offer.

10. **Treasury Challan**. Offer must be accompanied with a challan form of US\$ 50/- or equivalent Pak Rupees and debitable to Major Head 1220 Main Head XVI, Sub Head (c) DGMP 01/878/02.

11. **Right Reserved**. DGMP, Rawalpindi reserves full rights to Accept or reject any or all the offer(s) without assigning any reasons.

12. **Application of Official Secret Act.** All matters connected with this inquiry and subsequent actions arising there from come within the scope of the official Secret Act, 1923. You are, therefore, requested to ensure complete secrecy regarding documents and stores concerned with the enquiry and to limit the number of your employees having access to this information.

13. **Price Preference:** Local yard is allowed price preference upto maximum of 25% over and above the landed cost of MPV of foreign origin with similar specification as per the PPRA Rules - 24(2) and SRO 827(1)/2001 dated 3rd Dec 2001. The price preference to be accorded to local yard will be decided by the competent authority.

14. **Confidentiality of Correspondence.** All correspondence exchanged on the subject shall be treated Commercial in Confidence.

15. **Withdrawal of Offers.** If any bidder withdraws its offer within validity period before 30 June 2015, purchaser may put such bidder under embargo for a period of one year.

16. **Special Instructions.** The tender document and its conditions shall be read point by point and understood properly before quoting. All tender conditions shall be responded clearly. In case of any deviation due to non-acceptance of tender conditions, same shall be clearly highlighted along with your offered conditions. Your offer is liable to be rejected due to non-acceptance of any one or more conditions specified in this IT.

17. **Contact at DGMP.** For queries/clarification regarding the invitation of tender, please contact at 0092-51-9270199 during office hours.

Commodore
KHALID MASOOD SI(M)
for and on behalf of the President of
Islamic Republic of Pakistan

Enclosure:

1. Schedule to Tender (DP-2)

Annexes

- A. Technical Specifications for 600 Tons MPVs
- B. Technical Specifications for 1500 Tons MPVs
- C. Required Documentation
- D. ILS Package
- E. Format for quoted financial outlay of project

Appendices

- I. Technical Terms (Scope of supplies/Obligations)
- II. Commercial Conditions
- III. General Terms and Conditions

TECHNICAL TERMS (SCOPE OF SUPPLIES/OBLIGATIONS TO CONTRACT)

1. The scope of Contract made as a result of this IT includes:
 - a. Contractor shall construct, outfit, commission, complete and deliver afloat six in number MPVs at yard (s) premises in accordance with technical specifications attached as **Annex A** and **Annex B** to this IT and applicable rules of Classification Society. Minimum of 02 MPVs are to be constructed at KS&EW. The exact number of MPVs to be constructed as per **Annex A** and **B** at foreign yard and local yard will be decided upon opening of final commercial offers.
 - b. Minimum of two MPVs shall be constructed at Karachi Shipyard and Engineering Works (KS&EW) under full responsibility of Contractor for quality of construction, TDP, Technical Assistance, HATs/SATs, performance of equipment/machinery/systems, delivery and construction schedule. For the purpose of ship construction in Pakistan, Contractor shall sign a separate contract with KS&EW without delegating the above stated responsibility to KS&EW, which will be part of main contract signed between Purchaser and contractor as Annex.
 - c. Contractor shall deliver complete technology including KoM, TDP, Technical Assistance and construction training needed for the construction, outfitting, tests/trials, and delivery of MPVs to be built in Pakistan at KS&EW under the Contractor's full responsibility.
 - d. Impart operator and maintainer training to each ship's crew before delivery of respective MPV through OEMs/ Yard reps for enabling the crew to efficiently and safely operate ships and conduct level 1 & 2 onboard maintenance. Operator and maintainer training of crew of MPVs to be built in Pakistan shall be imparted at KS&EW or as appropriate.
 - e. Contractor shall deliver 300 rounds of ammunitions for 30 mm gun, over and above ammunitions used during tests and trials, with the delivery of each MPV respectively.
 - f. Contractor shall provide and arrange all means including test equipment, fuel, lub oil, water etc that are required for the acceptance trials (HATs/SATs) of each MPV.
 - g. Contractor shall provide OEM recommended onboard spare parts to each MPV prior delivery for one year satisfactory operation, preventive maintenance and conducting level 1 and 2 repairs of all major equipment, machinery and systems.
 - h. Contractor shall provide one set of OEM recommended onboard tools and test equipment to each MPV prior delivery for satisfactory operation, diagnostics, and preventive maintenance and conducting level 1 and 2 repairs of all major equipment, machinery and systems.
 - j. Contractor shall provide one hard and soft set of OEM recommended onboard Documentations to each MPV prior delivery as per ILS standards and specifications mentioned in **Annex C** of this IT.

k. Contractor shall provide one set of onboard outfitting equipment to each MPV prior delivery for enabling the crew to efficiently undertake administrative and operational/navigational/search & rescue functions, safety and health of crew, prevention of fire and material hazards as per relevant IMO rules.

l. Contractor shall provide ILS package for 600 Tons & 1500 Tons MPVs as per specifications mentioned at **Annex D**.

m. Contractor shall make fitted for arrangement to install Weapon and Sensors. The details of weapon and sensors will be notified by Purchaser by T0 + 3 or at any time agreed between Purchaser and Contractor.

TECHNICAL CONDITIONS

4. Design of the offered 600 Tons and 1500 Tons MPVs shall be in accordance with the specifications in **Annex A** and **B** respectively and applicable Classification Society Rules.

5. The selected foreign yard must have constructed and delivered the offered proven design MPVs or craft of similar specifications and size during at least last ten years and accordingly in operational service without any design deficiency and are not encountering frequent operational defects in major equipment/machinery/systems and hull vibrations.

6. Following design and delivery documents of offered MPVs may be attached with the technical offers for ascertaining the efficacy and verification of the design:

a. A certificate to the effect that the design of the vessel being considered/offered by the bidder is proven in service and is approved by the classification society.

b. List of customer(s) that are operating the offered MPVs or craft of similar specifications since last 10 years.

7. The **Construction Guarantee / Warranty Period** of each MPV shall be at least one year after successful acceptance of the same by the acceptance commission as specified in the contract.

DELIVERY SCHEDULE OF MPVs

8. The delivery period of each MPV to be built at Foreign Yard shall not be more than 18 months from date of contract becoming effective. Similarly, the delivery period of each MPV to be built at Karachi Shipyard shall not be more than 24 months.

COMMERCIAL CONDITIONS

1. **Prices of Deliverables.** In the commercial offer, the prices of deliverables shall be quoted in US Dollar as per Annex E, including but not limited to following:
 - a. Price of each MPV to be constructed at Foreign Yard as per Annex A and B.
 - b. Price of each set of KoM for MPV to be constructed at KS&EW as per Annex A and B.
 - c. KS&EW price for construction of each MPV as per Annex A and B.
 - d. Price of each required ToT element like TA, TDP, and Construction Training shall be separately quoted, if any.
 - e. Price of ILS package as per Annex D.
 - f. Price of 1800 rounds of Ammo for 30 mm Guns.
 - g. Unit Price of any other deliverable mentioned in IT.

2. **Preferential Seller's Credit (Soft Loan).** The contractor shall arrange preferential seller credit as soft loan, amounting to 80% of the total cost of project in US Dollar which shall be repaid in five years after delivery of respective MPV in 10 equal semi-annual installments. A detailed proposal covering terms and conditions of Seller's Credit shall also be specified as a separate offer, including but not limited to following along with the commercial offer:
 - a. Loan Amount (must be 80% of total project price).
 - b. Annual Interest rate of loan.
 - c. Rate of Insurance Premium, if needed, along with its mode and period of payment.
 - d. Commitment Fee, if needed, along with its mode and period of payment.
 - e. Management Fee, if needed, along with its mode and period of payment.
 - f. Tenure of Loan must be five years after delivery of respective MPV.
 - g. Type and specimen of loan guarantee, if needed.
 - h. Mode of repayment (LC/TT/Promissory Notes of principal loan amount and interest amount).
 - j. Specimen of documents (Promissory Notes/ LC etc) required for cash and loan payments.
 - k. Pre-delivery cash payment and loan interest schedules, inclusive of the percentages of actual quoted prices/interest rates and respective amount for each MPV which shall be based upon construction schedule of respective MPV.
 - m. Post-delivery repayment schedules of principal and interest amounts in 10 equal semi-annual installments which shall be based upon quoted rate of interest.
 - n. Any other appropriate terms and conditions.

3. The contractor shall be responsible for meeting all the contractual construction milestones of MPVs. Therefore, the contractor shall also be responsible for paying interest amount accrued due to adjustment and or delay in achieving any one and or all construction milestones.

4. **Total Quoted Financial Outlay Of Project.** The overall quoted financial outlay of the project must be included in financial offer which shall be based upon quoted prices of all deliverables, construction schedules, quoted cost of Seller's credit and construction of 4 MPVs at Foreign Yard and 2 MPVs at KS & EW as per format attached to Schedule to Tender (DP-2) for declaration of the lowest bidder on equal grounds. However, purchaser has the right to select any other option for construction of more or less MPVs at Pakistan on account of economic considerations.

4. **Bank Guarantees.** The technically qualified lowest bidder shall be required to furnish following bank guarantees before contract becoming effective as per specified format to be provided to the lowest bidder during contract negotiations.

a. Advance Bank Guarantee (ABG) equivalent to the advance payment is to be provided through any scheduled Pakistani Bank or any International Bank acceptable in Pakistan. The ABG shall be valid for 60 days beyond delivery of each MPV.

b. Performance Bank Guarantee(s) (PBGs) equivalent to 5% of the contract price issued through any scheduled Pakistani Bank or any International Bank acceptable in Pakistan for the contract performance.

c. Bank Guarantee(s) for Warranty having 5% value of respective deliverables .The same is to be provided through any scheduled Pakistani Bank or any International Bank acceptable in Pakistan. The Warranty Guarantee shall be valid for 60 days beyond the warranty period of respective deliverable.

5. **Terms of Payment** Standard terms of payment are to be mutually agreed as per DGMP Procedure subject to decision of competent authority at the time of final negotiation.

6. **Liquidated Damages.** Contractor shall be liable to pay liquidated damages @1% of the price of respective deliverable per month for delaying the delivery beyond contractual time line subject to maximum limit of 10% of the price of respective MPV.

7. **Taxes/Duties/Letter of Credit Charges.** The Contractor shall bear any and all present taxes, fees, duties, etc, levied in Contractor's country or in its sub contractor countries on the basis of or in connection with this Contract. Contractor shall be responsible for obtaining any import/export licences outside Pakistan for the machinery, equipment and systems to be supplied as part of this contract

8. Other General Terms and Conditions are attached as **Appendix -III** to Schedule to tender. The same will however, be finalized during contract negotiations with the lowest bidder.

GENERAL TERMS & CONDITIONS

1. **Force Majeure.** Neither the Contractor nor the Purchaser shall will not be held responsible for any delay occurring in delivery of MPV its related systems/services or obligation etc. due to event of Force Majeure such as acts of God, War, Riots, Civil Commotion, Strike, Lockouts, Act of Foreign Government and its agencies and disturbance directly affecting the Contractor and events or circumstances on which the Contractor has no control. In such an event the Contractor shall inform the Purchaser within 15 days of the happening and within the same timeframe about the discontinuation of such circumstances/happening in writing. Non available / non provision of documentation/material/equipment or of export permit for the export of the documentation/material, equipment etc. for the contracted item/system from the country of its origin shall not constitute force Majeure. The Contractor shall use his best efforts to avoid or remove such circumstances and continue fulfillment of obligations as soon as such circumstances are removed/over.
2. If by reason of Force Majeure full or part of any consignment or services/obligations is not delivered by the due date, then the Purchaser may adopt following options with the prior approval of competent authority with or without notifying the Contractor:
 - (1) The delivery period may be extended appropriately for the Force Majeure duration as established.
 - (2) In case of indefinite duration of Force Majeure where the Purchaser is satisfied that contract is not like to be materialized, may cancel the contract in consultation with End User without financial implication and contractual obligations on either side.
3. **Subletting.** Contractor is not allowed to sublet wholly or part of the contract to any other firm/company without prior permission of the Purchaser. Firm found in breach of this clause be dealt with as per Purchaser's right and discretion.
4. **Export License/Permit/End User Certificate.** It shall be the responsibility of the Contractor/OEM to obtain from the Government concerned all permits and export licenses, etc required to enable each consignment to be shipped immediately as per the delivery schedule of Material/stores/equipment/system, if any. In case the Contractor fails to arrange export license within 60 days of signing the contract, the purchaser reserves the right to cancel the contract on the risk and expense of the Contract without prior notice. The Purchaser will provide End User Certificate (EUC) to the Contractor as and when required by the Contractor within 30 days of the receipt of request for the purposes of getting the export license/permit. However Purchaser will not be responsible to arrange export license/permit on behalf of the Contractor for the export of the contracted goods/stores.
5. **Secrecy.** The Contractor shall undertake that any information about the sale/purchase of the stores/equipment/items and material under the contract shall not be communicated to any person, other than the contractor, or to any press or agency not

authorized by the Director General Munitions Production, Ministry of Defence Production to receive it. Any breach on this account will be punishable under the Official Secret Act 1923 in addition to termination of the contract at the risk & expense of Contractor.

6. **DISCREPANCY IN SUPPLIES** In case, any discrepancy is found in the delivered stores then the consignee will render a discrepancy report to all concerned within 30 days of the receipt of the stores. The discrepancy or shortage in quantities, so notified by the consignee, shall be made good by the Contractor free of cost on CIF Karachi basis within 30 days.

PART-I
SCHEDULE TO TENDER
(CIF BASIS)

1. I/T No. and Date 1262/106/DMP (Navy) dated 20 January 2015
2. The tender shall remain open for acceptance till By Post 1000 hrs on 02 March 2015
By Hand 1030 hrs on 02 March 2015
3. Time and Date of Opening:
 - (a) Technical offers: At 1100 hrs on 02 March 2015
 - (b) Commercial offers: At 1100 hrs on 16 March 2015
4. Description of store required:

| Item No | Cat/Part/Patt No. | Description of Stores and Spec Services/Docs | A/U | Qty | Price per Unit | Total Price | Agent's Commission Inclusive/ Exclusive |
|---------|-------------------|---|-----|-----|----------------|-------------|---|
| | | Construction of 06 Maritime Patrol Vessels (MPVs) for PMSA as per specifications described in Annexes and Appendices attached with the Tender document. | EA | 06 | - | - | - |

Note: Agent commission ranging from 0.5% to 4% will be declared in the offer in case of contracts involving local agent where a foreign principal is not paying commission to local agent then in that case the firm will attach certificate.