



TERMS OF REFERENCE **(T O R)**

**PROCUREMENT OF TOWING SERVICE OF
SINGLE POINT MOORING (SPM)**

PT. PERTAMINA (PERSERO)
Marketing & Trading Directorate - Chartering
2013

1 INTRODUCTION

1.1. General

PT PERTAMINA (PERSERO) (“the Hirer”) is an Indonesian state-owned oil and gas company which owns and operate significant oil tanker operations among its owned and chartered fleet in order to distribute crude oil and oil products from, to, and throughout Indonesia.

The Hirer has put one of its (Single Point Mooring) SPM at drydock to carried out docking at PT. PAL Indonesian (Persero) Surabaya – Indonesia. The docking are now on the final stage and the Hirer has an intention to held a procurement process for towing service of the SPM from the dockyard to the place of operation at Refinery Unit IV Balongan Terminal – Indonesia.

The Hirer hereby invites all potential Bidders to participate in the Bid for the supply of the towing service (The Project). The participated Bidders are expected to be a towing service companies which have a suitable tug to tender the service. The tug shall fly Indonesian Flag as the implementation of Cabotage Principles in Indonesia.

The appointment will be determined through an open bid system, therefore we invite all reputable towing service company to participate in this bid without necessarily required to provide Pertamina Bid Registration (Surat Keterangan Terdaftar/SKT).

The appointed Bid Winner and the Hirer will enter into a Towing Contract Agreement after its appointment using Towcon 2008 (International Ocean Towage Agreement), with the basic term and conditions set forth in the Terms of Reference (“ToR”) and in accordance with the result of all process contained herein.

1.2. Scope of Work

The main scope of work on this project are :

1. To provide towing service for Single Point Mooring (SPM) with technical specification as follows:

GRT	:	About 196 T
Diameter	:	10.5 M
Height from Water Surface	:	4.48 M
Draft	:	2.28 M

2. Laycan and estimated time of arrival at the place of destination:

Laycan (Time of Arrival at the Place of Departure)	:	20 September 2013
Estimated Time of Arrival at the Place of Destination	:	24 September 2013

3. **Place of Departure and Destination:**

Place of Departure	:	PT. PAL Indonesia (Persero) – Surabaya – Indonesia
Place of Destination	:	Tersus RU IV Balongan (Area SPM 12.5 M) – Indonesia

4. **Tug Arrangement**

1 (one) Tug for conducting towing

5. **General Requirement and Tug Technical Specification**

Tug Specification	Technical Specification
General Requirement	1. All Tugs employed for this project shall have a valid certificate and covered by appropriate insurance refer to the applicable rules and regulations. 2. The Bidder shall be responsible to conduct all necessary survey and acquiring all necessary permit and licenses from the competent authority i.e Classification Society, Local Harbour Authority, Marine Warranty Surveyor/Underwriter.
Main Tug	
Horse Power (Min)	Min 700 HP
Equipment	The Tugs shall be equipped with Bridle Towing Equipment and Towing Line (Wire and Mooring Rope)

6. **Coverage of the Project, the Bidder shall be responsible for/to :**

- a. Provide sufficient and seaworthy towing tug (s) to guarantee a safe towing operation for the SPM from the place of departure to the place of destination. **The Bidders shall guarantee that the towing tug (s) has a sufficient power to carry out a safe towing operation with all necessary equipment and comply with the rules and regulation applicable in Indonesia as the place of departure and as the place of destination.**
- b. Conducting the towing operation and fulfill all the necessary coordination with the pilot, local MSA, port management berau, shipyard agent and other related institution.
- c. Managing and arranging for all necessary permit or licenses for the towing operation, including but not limited to: agencies, pilot, port clearance, port charges, permits, licenses, Indonesian towing permit, licenses, levies, taxes.
- d. Providing all necessary source and equipment to conduct the towing operation **(including but not limited to Towing Chain, Towing Line, Flood Light).**
- e. Providing the towing insurance, arranging and pay for the Marine Warranty Surveyor to do the survey.
- f. Providing and preparing for a sufficient report of the safety navigation of the towing operation from the place of departure to the place of destination from the navigation specialist.
- g. All bunker used for the towing operation, pilotage, port dues, and tax.

1.3. Bid Tentative Schedule

Key dates in the bid process are as follows. The Hirer reserves the right to extend or delay the Bid timeline, and will inform Bidders prior to the start of each stage in the process:

AGENDA	:	SCHEDULE
Invitation to Bid	:	12 September 2013
Prebid Meeting	:	17 September 2013, 10.00 Jakarta Time
Closing / Proposal Submission	:	19 September 2013, 10.00 Jakarta Time

2. DEFINITIONS AND ABBREVIATIONS

Terms of Reference: means that part of the Invitation to Bid Documents so titled, describing the manner in which Bidder shall prepare and submit its Bid.

Invitation to Bid (ITB) means Hirer's invitation to Bidder for the Bid.

Bid means Bidder's offer for performing the Scope of Work.

Bidder: means the addressee of the ITB.

Other words and abbreviations used in the ITB Documents shall have the meaning defined in the Conditions of Contract, or elsewhere in the ITB.

3 BID PROCEDURES

3.1. Invitation to Bid Documents the ITB comprises the following documents:

1. Invitation to Bid
2. Term of Reference (ToR)

3.2. Study of the Invitation to Bid Documents

Bidders should examine the Invitation to Bid Documents and generally obtain all information required for the submission of Bid.

3.3. Bid Submission / Bid Closing

For the Bid Closing agenda, you are requested to offer your proposal **at the latest 10.00 H Jakarta Time, 19 September 2013**, to the following contact address:

Chartering Manager - Shipping
PERTAMINA Shipping Building, the 7th Floor
Jl.Yos Sudarso 32-34
Jakarta 14320, INDONESIA

4 BID CONDITIONS

4.1. Bid not Binding on Hirer

This Invitation to Bid and the submission of the Bid shall not in any way bind the Hirer to enter into a Contract or involve the Hirer in any financial commitment whatsoever in this respect.

4.2. Cancellation of Bid

The Hirer reserves the right to, at its sole discretion, cancel the Bid entirely or partly and reject any proposal at any time during the Bid or after the award of the Bid, without any obligation or compensation or indemnification to the Partner(s), as the case may be, including without limitation.

The Hirer reserves the right to award a portion of the work based upon the quoted price. The Hirer may delete or cancel any item of work listed, and the cost quoted shall be reduced such that the value will be equal to the revised quantity/quality of work to be performed.

4.3. Acceptance of Bid

The submitted Bid constitutes an offer by Bidder to perform the Scope of Work and Hirer shall retain the right to accept or reject such offer. In the event of the Bid being accepted, Bidder shall immediately conclude a formal agreement with Hirer, based on the Bid Documents, any Bid Addendum, the Bid and any agreed amendments or revisions thereto. Until such formal agreement is signed, Bidder has no authority to proceed with the Scope of Work or to incur any costs for which Hirer may be held liable. Bidder may not consider himself successful until the Contract has been signed.

Hirer reserves the right to discuss, clarify and negotiate all aspects of the submitted Bid including prices, during evaluation of the Tenders.

4.4. Validity of Bid

The Bid shall remain valid and open for acceptance for a minimum period of thirty (30) days after the date for submission of the Tender.

4.5. Incomplete Bid

If Bid does not comply with these Instructions to Bidders, submitted after the bid closing time, or if the Bid is incomplete, vague or is submitted later than the prescribed date and time, it may not be considered.

4.6. Bid Costs

All costs of preparing and submitting the Bid, as well as all costs in connection with subsequent clarifications and negotiations shall be borne by Bidder.

4.7. Currency

The currency use in this bid is Indonesian Rupiah (IDR)

5. ADMINISTRATION, TECHNICAL AND COMMERCIAL REQUIREMENT

In the bid proposal, the Bidder shall provide the following documents:

5.1. Administration

- a. Bid Offering Letter (**As per Annex 1**), signed by the authorized person in the Bidders Company or to its appointed person with the formal power of attorney that shall be attached on the bid document.
- b. Statement Letter signed by the Authorized Person from the Bidders company, stating that the Bidder will comply to all the term and conditions of the Bid and all the towing requirement refer to this term of reference and TowCon 2008 (International Ocean Towing Agreement).
- c. Business Licenses Certificate issued by the authorized institution.
- d. List of work experience in the previous towing operation executed by the company.

5.2. Technical

- a. Ship Particular of the Tug
- b. Class Certificate
- c. Bollard pull Certificate
- d. Other relevant certificate for the Tug based on the applicable rule and regulations

6. EVALUATION CRITERIA

Hirer will apply a number of evaluation criteria in order to select the successful Bidder(s). The evaluation will be performed in stages with preferably short-listing of one or two Bidders.

The Bid Proposals will be evaluated by using the combination disqualification and value stage method including but not limited to:

1. Administration Evaluation
2. Technical Evaluation
3. Commercial Evaluation

The overall evaluation shall be based on the fulfillment of all requirements of this ITB and the best Bid Price.

Administrative Evaluation

During the Administrative evaluation, the following criteria will be considered the administrative requirements as listed below.

Evaluation Criteria:

	REQUIREMENT	EVALUATION
Administration		
1.	Bid Offering Letter , signed by the authorized person in the Bidders Company or to its appointed person with the formal power of attorney that shall be attached on the bid document	AVAILABLE/NOT
2.	Statement Letter signed by the Authorized Person from the Bidders company, stating that the Bidder will comply to all the term and conditions of the Bid (including but not limited to the project coverage as stated on clause B1.2.5 of this ToR) and all the towing requirement refer to this term of reference and TowCon 2008 (International Ocean Towage Agreement)	AVAILABLE/NOT
3.	Business Licenses Certificate issued by the authorized institution	AVAILABLE/NOT
4.	List of work experience in the previous towing operation executed by the company	AVAILABLE/NOT

Technical		
1.	Ship Particular of the Tug	AVAILABLE/NOT
2.	Class Certificate	AVAILABLE/NOT
3.	Bollard pull Certificate	AVAILABLE/NOT
4.	Other relevant certificate for the Tug based on the applicable rule and regulations	AVAILABLE/NOT

Technical Evaluation

During the Technical evaluation the fulfillment of the minimum Technical Requirement, will be taken into account.

The Bidders shall guarantee that the towing tug (s) has a sufficient power to carry out a safe towing operation with all necessary equipment and comply with the rules and regulation applicable in Indonesia as the place of departure and as the place of destination.

In the bid evaluation process, Hirer has the right to request clarifications on Bid Proposal which meets technical requirements. However, Hirer shall not accept any alterations or submission of additional materials, which shall change the substance of the bid or increase the Bid Price.

Commercial Evaluation

Evaluation of commercial proposal will be carried out based on the best price offered by the bidder.

1. In nominating and appointing a Successful Bidder, Pertamina does not necessarily base its decision on the lowest Bid Price Proposal.
2. Successful Bidder must fulfill all its obligations set forth in this Bid Document.

7. NEGOTIATION PROCEDURE

Negotiation is conducted in two rounds

- a. At the time of closing
- b. Renegotiation (Written or Face to Face)

If the price is below the OE, **directly appointed as potential winner**
Subject to Management Approval

8. TERMS OF PAYMENT

The Hirer shall pay the towing price to the appointed bid winner in a lumpsum basis, 7 (seven) working days after the completion of the towing services and after submission of all payment documents (Invoice, Tax Facture, and other required documents) completed by the Bid Winner to the Hirer.

9. BASIC TERM AND CONDITIONS:

In principal, this towing service shall be referred to the TOWCON 2008 contract form. However, the following specific provision declared by the Hirer shall be applied, and if there is any contradiction between the term and conditions of TOWCON 2008 with these specific provisions, then the term and conditions of the Specific Provision shall prevail.

- a. The Bidder has an obligation to provide a seaworthy tug with sufficient power to carry out the towing service. The tug shall be properly manned and equipped with a proper manning skill and adequate equipment. Further, the Bidder shall carry out the towing operation with due care and skill to ensure safe operation of the towing service.
- b. The Bidder has an obligation to exercise due diligence to ensure the tug is in seaworthy condition. In the event the Bidder fail to exercise due diligent, the Bidder will bear all the loss causing by it to the tug and to the tow and the exempting and indemnify provision will not apply.
- c. The Bidders shall guarantee that the towing tug(s) has a sufficient power to carry out a safe towing operation with all necessary equipment (**including but not limited to Towing Chain, Towing Line, Flood Light**) comply with the rules and regulation applicable in Indonesia as the place of departure and as the place of destination.
- d. The Bidder is obliged to inspect the tow to ensure that it is in suitable condition for the intended towing operation.

- e. The Bidder shall be responsible for arranging and pay for all cost for all necessary licenses, authorization, permit required by the tug and the tow to undertake the towing operation.
- f. In the event the tow break away during the course of the towage operation, the tug shall render all reasonable and necessary service to re-connect the tow line without making any claim of salvage.
- g. No financial security will be provided by the Hirer to the Bidder.
- h. The Towing Price offered by the Bidder shall include all costs related with the towing service, including but not limited to charter of the tug, bunker, all insurance costs for the tug and the tow, port charges, transit cost (if any), tax and levies (except Value Added Tax will be borne by the Hirer), and any other costs to be paid for the towing operation.
- i. Interpretation and Governing Law : The validity and interpretation of the Agreement shall be governed by the laws of Indonesia.
- j. Dispute Resolution : All disputes arising from the execution of, in connection with, or arising out of the Agreement shall be settled through amicable consultation by the parties. In case no settlement can be reached within 60 days of commencement of such consultation or other mutually agreed date, the dispute shall be exclusively and finally settled by binding arbitration before a panel of three arbitrators in Badan Arbitrase Nasional Indonesia/BANI (Indonesian National Arbitrary Body) in accordance with its rules at the time being on force, and shall be held in Jakarta.

-----END-----

ANNEX 1
Bid Offering Letter

To : **Chartering Manager - Shipping**
PERTAMINA Shipping Building, the 7th Floor
Jl.Yos Sudarso 32-34
Jakarta 14320, INDONESIA

Subject : **Letter of Bid Submission**

Dear Sir,

1. Having examined the Term of Reference (ToR) contained in the above mentioned CALL FOR Bid issued by yourselves, we, the undersigned, undertake to offer the work and **perform all obligation described in the said Term of Reference (ToR), without any qualification, reservation and exception**, within the contractual dates specified therein, for the firm price mentioned in the present BID, all in accordance with the terms and conditions set forth in the Term of Reference (ToR).
2. We acknowledge receipt of the following addenda to the Bid DOCUMENT issued by the Buyer during the Bid period and have taken the change contained there in into account in making this offer.
3. We agree to keep this offer valid for a period of thirty (30) calendar days from the Closing Date and it shall remain binding upon us and may be accepted by the Buyer at any time before the expiration of such period.
4. If this offer is accepted within the period of time mentioned in the foregoing provision, we agree to enter into a formal agreement to the work in accordance with the conditions of the TOWCON 2008 (International Ocean Towing Agreement) including the Specific Provision mentioned in the Term of Reference (ToR).
5. We understand that you are not bound to accept the lowest or any offer you may receive; we agree that your decision shall not be contested or opposed by us and that submission of this offer does not involve the Buyer incurring any costs whatsoever.
6. We hereby declare that the quoted price for this CALL FOR BID is **Rp.,- (say Rupiah)** in Lumpsum Basis which include all costs related with the towing service, including but not limited to charter of the tug, bunker, all insurance costs for the tug and the tow, port charges, transit cost (if any), tax and levies (except Value Added Tax will be borne by the Hirer), and any other costs to be paid for the towing operation.
7. The tug technical specification and the towing service detail we offer are as following :

Tug Specification	
Main Tug	
Name of the Tug	
Bollard pull (Min)	
YoB	
Horse Power (Min)	
Towing Equipment to be Provided	
Winches and Main Towing Gear	

Laycan and ETA	
Laycan (Time of Arrival at the Place of Departure)	
Estimated Time of Arrival at the Place of Destination	

8. As the bid documents, herewith we attached the following:

	REQUIREMENT	EVALUATION
Administration		
1.	Bid Offering Letter , signed by the authorized person in the Bidders Company or to its appointed person with the formal power of attorney that shall be attached on the bid document	AVAILABLE/NOT
2.	Statement Letter signed by the Authorized Person from the Bidders company, stating that the Bidder will comply to all the term and conditions of the Bid (including but not limited to the project coverage as stated on clause 1.2.5 of this ToR) and all the towing requirement refer to this term of reference and TowCon 2008 (International Ocean Towage Agreement)	AVAILABLE/NOT
3.	Business Licenses Certificate issued by the authorized institution	AVAILABLE/NOT
4.	List of work experience in the previous towing operation executed by the company	AVAILABLE/NOT
Technical		
1.	Ship Particular of the Tug	AVAILABLE/NOT
2.	Class Certificate	AVAILABLE/NOT
3.	Bollard pull Certificate	AVAILABLE/NOT
4.	Other relevant certificate for the Tug based on the applicable rule and regulations	AVAILABLE/NOT

Dated this day of, 20

Bidders Company

Signature(s)

 By:
 Name:
 Position: