

**Customs Clearance and Allied Services Panel for
Pakistan LNG Limited**

**REQUEST FOR PROPOSAL
PLL/CCS/RFP/02**

Pakistan LNG Limited

A company under Ministry of Energy



Dear Sir,

Pakistan LNG Limited (PLL) requests proposals for “**Customs clearing and allied services for Liquefied Natural Gas (LNG) Cargo(es)**” from reputable parties which are willing to be on PLL’s panel for said services.

Required documentation for proposal submission is attached herewith.

You are requested to prepare hard copies of your proposal in accordance with this document and deliver your complete proposal (i.e. both technical and commercial information) on the below mentioned address on or before 1400 hours on 16th October, 2017.

Reception Desk at Pakistan LNG Limited,

9th Floor, Petroleum House, Ataturk Avenue,

G-5/2, Islamabad, Pakistan.

Questions regarding this request for proposal may be addressed at Email: procurement@paklng.com or Tel: 051- 8744183-84 till 03 days before the date of submission of proposals.

Regards,

For and on behalf of

Pakistan LNG Limited



1. INVITATION TO SUBMIT PROPOSALS

Pakistan LNG Limited (PLL) invites proposals from Licensed Customs Clearing Agent Services for clearance of LNG cargo(es) being imported on a DES basis at the re-gasification facilities, operated by Pakistan Gas Port Consortium Limited ("PGPCL") at Port Qasim, Karachi ("Terminal") or such other LNG terminal within Pakistan as may be advised by PLL.

2. INTRODUCTION

- 2.1 PLL is a public sector entity, incorporated under the Companies Ordinance 1984 and operates under the auspices of the Ministry of Petroleum and Natural Resources, Government of Pakistan ("GOP"). It is a wholly owned subsidiary of Government Holdings Private Limited ("GHPL").
- 2.2 GHPL was incorporated as a private limited company in January 2000 to manage the interests of GOP in petroleum exploration and production joint ventures and commenced operations in July 2001. It is one of the top 5 exploration and production companies operating in Pakistan with a production share of over 43,500 Barrels of Oil Equivalent per Day (BOED). GHPL is 100% owned by the GOP and operates under the Ministry of Petroleum and Natural Resources.
- 2.3 PLL has been mandated by the GOP to carry out the business of importing, buying, storing, supplying, distributing, transporting, transmitting, processing, measuring, metering and selling of natural gas, LNG and re-gasified LNG. In this capacity, PLL will procure LNG from international markets and enter into onward arrangements for supply of gas to end users, thereby managing the whole supply chain of LNG from procurement to end users.
- 2.4 For further information on PLL, please visit PLL's website www.paklng.com.

3. PROCESS OVERVIEW

Applicants should submit a single package containing two separate envelopes having TECHNICAL and COMMERCIAL proposals marked in Bold and Legible letters.

3.1 Technical Information

Technical proposal shall contain the details as per the requirements mentioned in the terms of reference (TOR), detailed procedure for payment of duties and taxes and the evaluation criteria defined below. The interested party has to provide evidence that:

- (a) It has experience of providing Customs cargo clearing and allied services to general industry and to major oil, gas or petrochemical companies operating in Pakistan along with sufficient verifiable documentation demonstrating length of experience to be provided such as work orders, testimonials, contract copies etc. (Refer Annexure 2, Clause 1 and 2 for scores at different levels of experience).
- (b) It has cleared a number of oil, gas or petrochemical consignments / cargoes in the past three (03) years. List of cargoes along with work orders and goods declaration note etc. to be provided. (Refer to Annexure 2, clause 3 for scores attributed to no. of cargoes/consignments cleared).



- (c) It has cleared high value oil, gas or petrochemical consignments / cargoes. Redacted Bill of Lading (BL) copy(ies), invoice copy(ies) and/or goods declaration note to be provided as an evidence. (Refer to Annexure 2, clause 4 and 5 for scores attributed for the subject clause)
- (d) It has experience of working in, and association with, the LNG industry in Pakistan. Supporting evidence to be provided for same. (Refer Annexure 2, clause 6 for scores at different level of experience and association).
- (e) It possesses a valid license for the clearance of cargo/goods being imported into Pakistan from Customs/FBR/Port or any other relevant authority.
- (f) Evidence of payment of the non-refundable fee of PKR Five hundred (Rs. 500) for the proposal documents in the form of a Pay order / Bank Draft in the name of Pakistan LNG Limited to be submitted at the time of collection of the proposal documents, if documents are obtained in person from the offices of PLL, or at the time of submission of the proposal documents if documents are obtained through e-mail request.
- (g) Inclusion in Active Tax Payers List as maintained by taxation authorities / FBR.

For detailed scoring criteria pertaining to technical qualification, please refer to Annexure 2.

3.2 Commercial Proposal

The envelope marked “Commercial Proposal” shall contain the Commercial Proposal in the form set out in Annexure 3, containing the price for Customs clearing and allied services per LNG cargo (having approximately 140,000 m³ or 63,000 MT of LNG).

3.3 Final Selection Criterion:

- i. Final selection of the Customs clearing agent will be carried out in accordance with the procedure of Quality and Cost Based Selection (QCBS) method.
- ii. A weightage of 60% will be given to the Technical Score (Q) and a weightage of 40% will be given to the Financial Score (C).
- iii. Evaluation of Proposals under QCBS

For those Customs clearing agents who have passed the technical evaluation (scored a minimum of 60 out of 100), the following methodology will be used to determine the proposal with the highest total score (TS):

Step 1 – Technical (quality) Weightage

Quality Score “Q” = S x q

Step 2 – Cost Score Weightage

Cost Score (C) = {(LT/TC) x 100} x c

Step 3 – Total Score



Total Score = Q + C

Where:

- S is Technical Score out of 100
- q is 60% weightage of Technical score – as decided by the Procuring Entity
- LT is Value of Lowest Financial Bid.
- TC is Value of the Financial Bid being evaluated.
- c is 40% weightage of Financial Score – as decided by the Procuring Entity
- Q is Quality Score
- C is Cost Score

3.4 Submission of Proposal, Validity and Other Conditions

3.4.1 Signed and stamped proposal enclosed in an envelope addressed to Procurement department must be:

- (a) deposited in the Box placed at Ninth (09th) Floor, Petroleum House, G-5/2 Islamabad; or
- (b) sent by post/courier to:

Procurement Department

Pakistan LNG Limited

9th Floor,

Petroleum House

G-5/2.

Islamabad - 44000

PAKISTAN

Direct Tel: +92 51 8744183-84

E-mail: procurement@paklng.com

In each case to arrive no later than 14:00 hours (PST) on 16th October, 2017 (“**Deadline for Submissions**”).

- 3.4.2 Proposal should be marked as “**Proposal for Customs Clearing and Allied Services for LNG Cargo(es)**”.
- 3.4.3 Submissions of proposal by email will not be allowed.



- 3.4.4 The proposal shall be opened at 14:30 hours (PST) on 16th October, 2017, at 9th Floor, Petroleum House, G-5/2 Islamabad or such other venue as may be advised by PLL in the presence of interested parties or their duly authorised representatives who may wish to be present.
- 3.4.5 The commercial offer of interested parties whose Technical Information is not complete and/or fully compliant with the requirements of this document will be returned unopened to the relevant party.
- 3.4.6 A conditional proposal (that is proposal deviating in any form or manner from the requirements of this RFP) will not be accepted.
- 3.4.7 A proposal shall remain valid for acceptance until the relevant Proposal Validity Date.
- 3.4.8 Successful shortlisted party(ies) that wish to be on PLL's panel for Customs clearing services will be required to submit an unconditional and irrevocable bank guarantee for an amount of Rs. One (01) million from a scheduled bank operating in Pakistan with a long term credit rating of at least AA from PACRA/JCR-VIS to be submitted as per activity timetable attached in Annexure 1 of this document. The Performance Guarantee should be valid for a period of one (01) year and will be enforced by PLL in the event of failure of the relevant party(ies) to comply with any of the conditions of this document, or any service order/purchase order, etc. without prejudice to any rights and remedies to which PLL may be entitled under the law (Please refer Annexure 4 for sample Proforma of Performance Guarantee)

4. TERMS OF REFERENCE:

- 4.1 The rate of cargo clearance and allied services shall be based on per LNG shipment/call respectively in Pak Rupees (on a lump sum basis). This includes facilitation required by PLL in getting WBOC registration or any other associated activity.
- 4.2 The clearing agent (simply referred to as agents herewith) shall share a DETAILED PROCEDURE for payment of duties, taxes and any other tariff in order to get the LNG cargo cleared from any relevant authority in Pakistan as a part of proposals against this RFP. The agent shall also keep Pakistan LNG Limited (PLL) updated at all times regarding any changes in Customs Act, taxes and duties schedule and any other tariff that may be applicable while also providing the relevant SROs applicable in the payment of the subject taxes.
- 4.3 The number of LNG cargoes being imported into Pakistan by PLL will be approximately six (06) to twelve (12) cargoes per month.
- 4.4 The agent shall declare the names of human resources at his disposal who will provide PLL the required services. Names and relevant biodata of concerned personnel shall be shared in advance and in case of any change, the relevant information shall be provided in due course without having any impact on the services to be rendered.
- 4.5 The cargo shall be cleared by the clearing agent from Customs, the Port Authorities and any other relevant entity before the berthing of the LNG Carrier and should be ready for delivery without



any delay. The agent shall file in the GD and payout the required taxes, duties and any other dues required to be paid in order to clear the LNG cargo and make it ready for delivery. Any delays in the above will solely be the responsibility of clearing agent unless otherwise specified.

- 4.6 (a) All legitimate Government dues, in accordance with Customs tariff shall be paid by the clearing agent on behalf of PLL soon after the receipt of appropriate completed Bill of Entry or other relevant documents as the case may be. The clearing agent shall be responsible for the filing of Goods Declaration (GD), correct application of relevant classification/tariff for the purpose of payment of Custom duties, sales tax and other Government levies etc. In case of direct or indirect losses to PLL due to discrepancies in application of relevant tax rates, due to, but not restricted by the relevant classification/tariff etc. the agent will be directly responsible for the losses, if any, and for any liability raised against PLL by concerned authorities.
- (b) The agent shall ensure that the charges i.e. Customs duties, sales tax, any other tax(es), duties, wharfage / demurrage or detention charges if any, freight and any other statutory payment required to be made are charged correctly at the minimum applicable rates/tariffs by the authorities concerned. The agent shall assess, and advise PLL sufficiently in advance, the amount(s) payable on each consignment to enable processing of the payment in time to avoid demurrage.
- 4.7 PLL shall hand over to the agents, Pay Order for the required payments of duties/taxes against written request duly supported by relevant documents. The Pay order may be collected by authorized representative of the agent from PLL's designated bank as authorized by PLL management.
- 4.8 PLL shall reimburse to the agents at actual all such Dues/Charges, which PLL is liable to pay, if paid by the agents with prior written approval of PLL.
- 4.9 In case of any over/under payment of duties, taxes or any relevant government levies due to any difference in B/L quantity and the quantity off-loaded as per independent surveyor's report, the agent shall render its full support in ensuring that PLL is able to reclaim or pay any additional amount in lieu of such charges as the case may be.
- 4.10 The agent will be responsible for maintaining accuracy of documentation for prompt and efficient clearance or dispatch of consignments, as the case may be, strictly in accordance with the prescribed rules and regulations. The agent shall also be responsible for any and all losses, demurrages claims and such other charges raised against PLL during clearance and delivery operations and thereafter, against any one employee/hired or representing the agent by filing incorrect documents. The recovery of such losses will be made by deducting all loss(es) i.e. from agents bills pending with PLL or that may be submitted in future. In case the recovery is not possible through agent's bill, the agent will be obligated to make the payment to PLL, through Pay Order, within seven (07) days from the date of such claim/demands. No other charges will be allowed in any case except agency service charges. In case of any other charges required to be paid by the agents, it shall first be approved by PLL. In case of any subsequent demand from the authorities for any penalty due to incorrect filings / declaration by the agent, and/or their staff, the agent will be responsible for settling such case/s with the concerned authorities at their own risk and cost.



- 4.11 After clearance of a consignment, if the Customs and/or any other authority/authorities re-open the case, raise any query, issue show cause notice / demand notice, the agent will be responsible for dealing with such notices expeditiously with the concerned authorities. If necessary, the agent will file an appeal, with prior approval of PLL Management and follow-up till the case is finally settled and closed. If any such action arises due to the negligence, failure to perform required action and/or inaction of the agent and/or person/s working on their behalf, the agent will be responsible for its cost and consequences.
- 4.12 In case any over payment is made due to the error and negligence on the part of the clearing agent, the agent will be responsible to obtain a refund from the authorities concerned. In case of any undue delay without justification / satisfactory reasons, the PLL in its direction reserves the right to deduct such over payment from the agent's pending bill(s) or those that may be submitted in future.
- 4.13 The agent on commencement of any work shall provide, free of cost, the latest and up-to-date copy of each the import policy(ies) and Customs Finance Gazette. A copy of all amendments/ SRO's issued thereafter shall also be provided by the agent as and when required by PLL.
- 4.14 As and when requested, the agent shall advise and assist PLL in matters pertaining to the rules and regulations, governing clearance of import consignments and also in determining the appropriate and beneficial serial numbers of import Policy and PTC classification for items to be imported by PLL enabling them to apply for an import license, if required.
- 4.15 The agent shall arrange collection of documents on receipt of telephonic advice from PLL. PLL will try to hand over the documents to the agent as early as possible, before the arrival of the LNG carrier, if available. However in case of non-receipt of documents, the agent shall adopt alternative action to clear the LNG Cargo with a view to avoid assessment of demurrages and loss to PLL.
- 4.16 The agent, if assigned to clear and forward the consignments to destinations outside Karachi city limits but within Pakistan, will not charge any additional fee to clear the shipment.
- 4.17 Payment will be made on receipt of invoice for each consignment after the same has been cleared and discharged to the specified receiving points of PLL. Payment for services will be due after twenty-one (21) days of the receipt of invoice.
- 4.18 PLL reserves the right to appoint more than one agent as and when deemed necessary and form a panel of clearing agents providing service to the company.
- 4.19 After formation of the panel, the cargo clearance job will be given to any of the clearing agents on PLL's panel in the form of a work order/ service order per LNG shipment from time to time basis. PLL will issue the work order/service order to any clearing agent(s) at its discretion, from the existing panel of clearing agents. The work order, along with the Terms of Reference contained in this document, shall contain relevant Terms & Conditions governing the proposed services.



5. SELECTION OF PANEL AND ASSIGNMENT OF WORK:

- 5.1 Based on the selection criteria defined above in this proposal document, PLL will select a panel of cargo clearing agents for the rendering of the cargo clearing services.
- 5.2 After formation of the panel, the cargo clearance job will be given to any of the clearing agents on PLL's panel in the form of a work order/ service order per LNG shipment from time to time basis. PLL will issue the work order/service order/purchase order to any clearing agent(s) at its discretion, from the existing panel of clearing agents. The work order, along with the Terms of Reference contained in this document, shall contain relevant Terms & Conditions governing the proposed services.

6. VALIDITY / EXTENSION OF PROPOSAL

- 6.1 The proposal is initially valid for one (01) year from the start date extendable for a maximum period of ninety (90) days on satisfactory performance.
- 6.2 For the purpose of clarity, the start date shall be fifteen (15) days prior to the arrival of 1st LNG cargo or the provision of Bill of Lading (B/L) copy, Proforma invoice, load port certificate and/or any other document that may be required for the clearance of cargo, whichever is earlier.



ANNEXURE 1

ACTIVITY TIMETABLE

Description of activity	Date
Date of advertisement for Request for Proposal	29 th September, 2017
Deadline for Submissions	16th October 2017, 14:00 hours (PST)
Date when Proposals will be opened	16th October 2017, 14:30 hours (PST)
Date when Proposal outcome will be communicated	20 th October 2017, or any other date as PLL may advise
Submission of Performance Guarantee	27 th October 2017, or any other date as PLL may advise



ANNEXURE 2

TECHNICAL QUALIFICATION CRITERIA

The technical qualification shall be carried out on the criterion defined below. The respective interested party has to attain at least sixty (60) marks out of one hundred (100) to be considered as technically qualified. **The required information should be provided in a sequential manner for the categories 01 to 07 detailed below:**

S. No.	Element	Criterion	Score	Score Obtained
1	Length of Experience providing Customs clearing services in Pakistan Note: Sufficient verifiable documentation demonstrating cargo clearing experience to be provided. Such as copies of work orders, client testimonials, contract copies etc.	a. More than or equal to 20 years	15	
		b. More than or equal to 10 years	10	
		c. Less than 10 years but greater than 5 years	05	
2	Length of Experience providing Customs clearing services to major Oil, Gas or Petrochemical companies operating in Pakistan Note: Sufficient verifiable documentation demonstrating cargo clearing experience to be provided. Such as copies of work orders, client testimonials, contract copies etc.	a. More than or equal to 20 years	15	
		b. More than or equal to 10 years	10	
		c. Less than 10 years but greater than 5 years	05	
3	The number of Oil, Gas or Petrochemical consignments / cargoes cleared in the past 03 years Note: List of Cargoes along with copies of Work orders, Goods Declaration note and/or any other relevant documents to be provided as an evidence.	a. greater than or equal to 100 Cargoes	30	
		b. greater than or equal to 50 Cargoes	20	
		c. greater than or equal to 20 Cargoes	10	



4	Total value of Oil, Gas or Petrochemical consignments / cargoes cleared: Note: Redacted copies of Cargo Bill of Lading (BL), Goods declaration note or invoice copies to be provided as an evidence.			
		a. > 100 Million USD	15	
		b. > 50 Million USD	10	
		c. > 20 Million USD	05	
5	Maximum value of Oil, Gas or Petrochemical of a single consignment / cargo cleared: Note: Redacted copies of Cargo Bill of Lading (BL), Goods declaration note or invoice copies to be provided as an evidence.	a. > 15 Million USD	15	
		b. > 10 Million USD	10	
		c. > 5 Million USD	05	
6	Experience of and association with LNG Industry Note: Supporting evidence to be provided to prove the association defined above.	a. Yes	05	
		b. No	0	
7	Inclusion in Active Tax Payers List as maintained by taxation authorities / FBR		5	

Note:

Scores will be calculated on a pro-rata basis as per the criteria defined above.



ANNEXURE 3

FORM OF COMMERCIAL OFFER LETTER FOR
CARGO CUSTOMS CLEARANCE SERVICES

Chief Operating Officer

Pakistan LNG Limited

9th Floor, Petroleum House

G-5/2, Islamabad

44000

PAKISTAN

Subject: Commercial Offer - Proposal for Customs Clearance Services

Dear Sir,

This is with reference to your invitation to submit proposal for Customs clearance services for LNG Cargoes (PLL/CCS/RFP/02) being imported by Pakistan LNG Limited (PLL)

The quoted rate of services for customs clearance & allied services per LNG shipment/call respectively in Pak Rupees on a lump sum basis are

We further acknowledge that we have read all terms, conditions and instructions of the proposal document and its respective annexures and we confirm all of them are acceptable to us.

Thanking you.

Yours faithfully,

Authorised Signatory (ies):

Designation, Company,

Date:



ANNEXURE 4

**FORM OF PERFORMANCE GUARANTEE IN THE FORM OF A BANK GUARANTEE
(TO BE FURNISHED ON STAMP PAPER OF APPROPRIATE VALUE)**

BANK GUARANTEE

In favour of Pakistan LNG Limited Guarantee No.: _____

Date of Issue: _____

Petroleum House

9th Floor

G-5/2

Islamabad - 44000

PAKISTAN

At the request of _____ (“**Clearing Agent**”), We, _____ (“**Bank**”), hereby issue our irrevocable confirmed Letter of Guarantee No. _____ (“**Guarantee**”) for a maximum amount of Pakistani Rupees One Million (PKR 1,000,000/- Only) in consideration of the **Clearing Agent** wishing to be included on the of panel Pakistan LNG Limited (hereinafter called the “**Company**”) for rendering Customs clearing and allied services for Liquefied Natural Gas (LNG) Cargo(es), in accordance with the Terms of Reference of the Request for Proposal document # **PLL/CCS/RFP/01** advertised on 27th August, 2017, along with any service/work/purchase order that may be issued, from time to time, to the Clearing Agent pursuant to the Terms of Reference.

1. We, _____ (Bank), do hereby irrevocably bind ourselves and unconditionally agree and undertake to pay forthwith to the Company on first written demand by the Company and without prior recourse to the Clearing Agent such sum or sums not exceeding Pak Rupees One Million (PKR 1,000,000/- Only) as may be demanded by the Company. Such first written demand of the Company shall only state that the Clearing Agent has failed to satisfy or otherwise has contravened or failed to perform any of the conditions of the Terms of Reference (TOR) stated in proposal. It is understood that any such demand made herein under by the Company shall be conclusive evidence of the Seller’s failure to comply with or fulfil the conditions of the relevant Terms of Reference.

2. This Guarantee shall come into force at once and we agree that the Company may claim all or any of the aforesaid amount and this Guarantee shall remain in force, operative and binding on us until the Expiry mentioned herein. The period of validity of this Guarantee is from the date of its issuance up to the date of Expiry and the responsibility of the Bank shall be extinguished / discharged from the date of its expiry by which date claims, if any, must be received by our Bank.



3. We _____ (Bank) shall at all times be bound on the first written demand of the Company to pay the Company forthwith the amount (or any portion thereof) hereby guaranteed in Pak Rupees One Million (PKR 1,000,000/- Only) until we are expressly released and discharged in writing by the Company from the liabilities and obligations hereby guaranteed free and clear of any counterclaim, deduction, set off or withholding.
4. Our liability to the Company hereunder shall be that of a principal debtor and the Company at its option may treat the Bank as primarily liable for the aforesaid amount / or any balances, which may at any time be due and payable by us to the Company in terms of this Guarantee.
5. Our obligations as set out herein shall be continuing obligations notwithstanding any change in the constitution or organisation of the Clearing Agent and notwithstanding any time given, indulgence or forbearance shown by the Company and not withstanding any amendments or alteration made in the obligations of the Clearing Agent under the Terms of Reference, service order(s), purchase order(s), work order(s), conditions or covenants between the Clearing Agent and the Company without our assent or otherwise and not withstanding that any claim by the Company against the Clearing Agent is disputed or contested or referred for settlement, to arbitration or litigation.
6. We hereby declare and confirm that under our constitution and all applicable laws and regulations to have the necessary power and authority and all necessary authorization, approval and consent hereunder of Government and other regulatory authorities to enable us to enter, execute, deliver and perform the obligations undertaken by us under this Guarantee and the signatory(ies) to this Guarantee is / are our duly authorised officer/s and the obligations on part contained in this Guarantee are valid and legally binding on and enforceable against us.
7. Notwithstanding anything contained herein above to the contrary, our total liability against this Guarantee shall not, in any case exceed PKR. One Million (PKR 1,000,000/- Only). This Guarantee shall remain in full force until _____ (“Expiry”¹) and we shall be absolved / discharged from our liability by which date claims, if any, must be received by our Bank. Thereafter we shall entertain no claim or any cost unless the Guarantee is renewed by us within thirty (30) days after its Expiry, with the written consent of our customer, the Clearing Agent.
8. After Expiry and unless renewed within thirty (30) days therefrom, this Guarantee shall become null and void whether it is returned to us for cancellation or not
9. Our liability under this Guarantee shall not be affected by any dispute or difference between the Clearing Agent and the Company or any forbearance or indulgence granted by the Company to the Clearing Agent or any security held by the Company from the Clearing Agent relating to the above mentioned Terms of Reference in proposal document, if applicable, or any variation in the Terms of Reference, if applicable, or any other matter or thing might otherwise affect our liability.
10. We further guarantee that no changes or additions to or other modifications of the terms and conditions of the aforesaid Terms of Reference shall in any way release us from our liability under this Guarantee and we hereby waive off any such change, addition or modification.



11. This bank Guarantee shall be governed by and construed in accordance with the law of Pakistan and bank hereby irrevocably submit to the jurisdiction of the courts of Pakistan, provided however that the submission to jurisdiction of the courts in Pakistan shall not limit the right of the Company to take proceeding in the courts of any other country having jurisdiction nor shall be taking of proceeding in any one or more jurisdictions preclude the taking of proceeding in another jurisdiction.

FOR AND ON BEHALF OF _____ (BANK)

SIGNATURE

(NAME & DESIGNATION)

SIGNATURE

(NAME & DESIGNATION)

1. Witness _____
2. Witness _____

