

PAKISTAN LNG LIMITED
("PLL")

BID DOCUMENT FOR LNG
TENDER ON A DELIVERED EX SHIP BASIS

(PLL/IMP/LNGT56)



BIDDING TIMETABLE

Description of activity	Date
Date for bids invitation	6 August 2022
Bidders Conference	19 August 2022 or such later date as PLL may advise
Deadline For Submission of Bids	14 September 2022, 1400 hours (PST)
Date Envelopes Marked “Technical Information” Will Be Opened	14 September 2022, 1430 hours (PST)
Date of Announcement of Technical Evaluation Result (Technical Evaluation Report)	20 September 2022
Date When Envelopes Marked “Commercial Offers” of Technically Compliant Bidders Will Be Opened	21 September 2022, 1400 hours (PST) or such other date as PLL may advise
Bid Validity Date	6 October 2022, 2300 hours (PST)
Date of Announcement of Bid Evaluation Result (Final Evaluation Report)	21 September 2022
Date of Award Notification	6 October 2022 or such other date as PLL may advise
Deadline For The Successful Compliant Bidder To Provide Performance Guarantee	20 October 2022 or such other date as PLL may advise
Deadline for PLL to prepare Confirmation Notice and to send to the successful compliant bidder scanned copy by email	21 October 2022



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MEDIUM TERM LNG SUPPLY CONTRACTS (DELIVERED EX SHIP BASIS)
("Bid Document")

1 INVITATION TO BID

1.1 PLL invites bids from LNG suppliers (each a "Seller" or "Bidder") for the supply of LNG through a master sale and purchase agreement ("MSPA") and confirmation notice ("Confirmation Notice" or "CN") on a Delivered Ex Ship ("DES") Port Qasim, Karachi basis in accordance with the terms and conditions of this Bid Document. This Bid Document supplements and expands on the information (including certain dates) provided in the advertisement of this tender published by PLL on 6 August 2022.

1.2 Key terms of the tender are as follows:

Key Terms	Details
Duration	5 - 6 years
Supply Period	January 2023 to December 2023 ("Delivery Period-1") January 2024 to December 2028 ("Delivery Period-2")
Cargoes per month	1 LNG Cargo per month
Total Cargoes	Delivery Period-1: 12 LNG Cargoes Delivery Period-2: 60 LNG Cargoes
Price	Brent linked Slope (%) – separate bids for both Delivery Periods

It is mandatory for the Bidder to submit price proposals for both of the above-mentioned Delivery Periods, in accordance with prescribed format. It will be PLL's prerogative to award the LNG Cargoes under either;

- a) Delivery Period-1 and Delivery Period-2 collectively; OR
- b) Only Delivery Period-2.

For the avoidance of doubt, PLL will not award cargoes of only Delivery Period-1.

1.3 The successful Bidder will be required to supply either seventy-two (72) or sixty (60) LNG Cargoes in accordance with the CN and Supply Period as selected by PLL (as per 1.2 above). The Delivery Point of the LNG cargoes shall be at the re-gasification facilities operated by Pakistan Gas Port Consortium Limited ("PGPCL") at Port Qasim (the "Terminal") or such other LNG terminal within Pakistan as may be advised by PLL. Deliveries to an LNG terminal outside Pakistan shall be as per the provisions of the Confirmation Notice.

1.4 As PLL is a public sector entity, this tender will be conducted in accordance with the rules and procedures prescribed by the Public Procurement Regulatory Authority of Pakistan ("PPRA").

1.5 In accordance with Annex-4 Eligibility Criteria, Bidders will be required to provide evidence of their technical qualifications covering:

- a duly executed MSPA in the form appended as Annex 1 hereto ("MSPA");



- a duly completed (other than price) and initialed Confirmation Notice in the form appended as Annex 2 hereto;
 - Bid Bond of the value of US Dollars one million (1,000,000 USD); and
 - evidence that they meet the Eligibility Criteria (as defined in section 5.2(b)) and provision of the Required Information.
- 1.6 The Bidder shall submit sealed Commercial Offer in a separate envelope in accordance with the format prescribed in [Annex-5 Part-C](#).
- 1.7 Bids shall be unconditional and the Bidder shall not modify the terms of this Bid Document. Breach of this requirement shall make such Bids conditional, entitling PLL to reject them.

2 INTRODUCTION

2.1 Introduction to PLL

- 2.1.1 PLL is a public sector entity, incorporated under the Pakistan Companies Ordinance 1984 and operates under the governance of the Ministry of Energy (Petroleum Division), Government of Pakistan (“**GOP**”). It is a wholly owned subsidiary of Government Holdings Private Limited (“**GHPL**”).
- 2.1.2 GHPL was incorporated as a private limited company in April 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 Energy (Petroleum Division).
- 2.1.3 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.
- 2.1.4 For further information on PLL, please visit PLL’s website www.paklng.com.

2.2 Pakistan Gas Port Consortium Limited Terminal

- 2.2.1 PGPCCL is a wholly owned subsidiary of Pakistan GasPort Limited and has established Pakistan’s second LNG import terminal located at Port Qasim, Karachi. PGPCCL provides storage and regasification services to PLL, under a 15-year terminal access agreement.
- 2.2.2 The Terminal comprises a floating storage and regasification unit (“**FSRU**”) that is time chartered from ‘BW Group’ company, a jetty with the necessary gas unloading equipment that links the Terminal to the gas network system of Sui Southern Gas Company Limited (“**SSGC**”).



2.2.3 The FSRU is a new built unit, Hull No. 2118 and has a low environmental footprint, high efficiency, storage capacity in excess of 170,000 m³ and peak regasification capacity of 750 mmscfd.

2.3 Port Qasim

2.3.1 Port Qasim is located in an old channel of the Indus river just outside Karachi. It is Pakistan's second busiest port. It is administered by the Port Qasim Authority ("PQA"), an authority established by statute.

2.3.2 Port Qasim is currently accessible through a 45 km long channel marked by channel buoys.

2.3.3 The current Notice to Mariners can be found at <https://www.pqa.gov.pk/en/port-operations/notice-to-mariners> (updated from time to time) which provides further details of the port.

2.4 Gas Utilities

Sui Southern Gas Company Limited ("SSGC") and Sui Northern Gas Pipelines Limited ("SNGPL") are Pakistan's two integrated gas companies which distribute gas across the country through their distribution networks in geographically distinct areas. SSGC serves the provinces of Sindh and Balochistan and operates a transmission system of over 3,500 km and 46,000 km distribution network. SNGPL serves the provinces of Punjab and Khyber Pakhtunkhwa and operates a transmission system of over 7,700 km and distribution network of 95,000 km pipelines. Both SSGC and SNGPL are public listed companies with majority ownership with the GOP. The regasified LNG ("RLNG") will be transported through the Gas Utilities pipeline networks.

2.5 Further Information

2.5.1 Detailed information on Port Qasim and the Terminal and their LNG receiving operations will be consolidated in a Terminal Regulations Manual ("**Terminal Regulations**"), prepared by the Terminal operator (PGPCL) and can be found at http://www.paklng.com/Terminal/STS_Operations_Manual_20180405.pdf (updated from time to time). Furthermore, reference is invited to PQA's Conditions of Use and Standard Operating Procedures for Operating LNG Carriers, the current versions of which can be found as Annex 3 to this Bid Document. However, each Bidder shall have sole responsibility of all matters pertaining to their Bid and where relevant, the execution of the MSPA.

2.5.2 If Bidders require further information, they should contact PLL at the contact details set out below:

Manager LNG Procurement
Pakistan LNG Limited
9th Floor, Petroleum House
G-5/2.
Islamabad – 44000
PAKISTAN
Email: procurement@paklng.com
Direct Tel: +92 51 8744183-84
Facsimile: +92 51 9216904



- 2.5.3 No verbal agreement or conversation with any director, officer, employee, representative or agent of PLL, PGPCL or PQA shall affect or modify any of the terms or obligations of PLL and the relevant Bidder contained in this Bid Document and any liability incurred by the Bidder for loss or damage arising out of any such agreement or conversation is excluded by PLL to the maximum extent permitted by law. PLL shall not assume any responsibility regarding any interpretation of this Bid Document made by the Bidder from the information provided herein and any liability incurred by the Bidder for loss or damage arising out of any such interpretation is excluded by PLL to the maximum extent permitted by law.

2.5.4 AMENDMENT

PLL reserves the right to amend, modify, supplement or withdraw this tender or any part thereof including without limitation the form of MSPA and Confirmation Notice at any time or times in accordance with Pakistan Public Procurement Rules 2004 (“PPRA Rules”).

3 CONTRACT STRUCTURE

3.1 MSPA

- 3.1.1 Bidders, who have not previously executed the MSPA with PLL in connection with PLL’s previous tenders, will be required to execute and submit the MSPA as set out below to be technically compliant:
- i. Annex 1 to the hard copy of this Bid Document includes two originals of the MSPA (printed on stamp paper) duly initialed by PLL that sets out the general terms of the transaction underlying this tender process and that form part of each Bid.
 - ii. The Bidder is required to execute two originals of the initialled MSPA to indicate their agreement to the terms therein and to provide the same to PLL as part of their Bid. Both originals of the initialled MSPA should be duly signed by the relevant Bidder, with each signature duly witnessed.
 - iii. Bidders are permitted to submit scanned copies of the executed MSPA as evidence that they have executed the MSPA, provided that two originals of the executed and witnessed MSPAs are received by PLL at the address stated in section 5.4.1(b) of this Bid Document within fifteen (15) days of opening of the Commercial Offers.
 - iv. PLL will countersign the original MSPA and open the Commercial Offer only from those Bidders whose Technical Information is complete and fully compliant with the requirements of this Bid Document (each a “Compliant Bidder”). Countersignature of any MSPA does not mean that the Bid of the relevant Compliant Bidder will be selected under this tender process, or at all.
 - v. PLL will countersign and return to each Compliant Bidder, at the address given in their initial Bid Document request letter, one original MSPA duly executed by both parties in line with the Bidding Timetable above. Where a Bidder has submitted scanned copies of the MSPA as part of the Technical Information, PLL will, on receipt of the originals of the MSPA from the relevant Compliant Bidder in accordance with section 3.1(iii), countersign and return to the Compliant Bidder one (1) original MSPA at the address given in their initial Bid Document request letter.

- vi. Once a Compliant Bidder is a party to the MSPA, provided such MSPA remains in force, that Bidder will not need to submit an MSPA again in future tenders, unless PLL has advised that the relevant MSPA version has been superseded by an amended version.
- 3.1.2 For avoidance of doubt, a Bidder with whom PLL has previously executed MSPA (in connection with PLL's previous tenders) will not be required to submit an MSPA for this tender but should provide evidence that the MSPA was previously executed.
- 3.2 Confirmation Notice**
- 3.2.1 Annex 2 to this Bid Document includes a partially completed and initialed Confirmation Notice for all the LNG cargoes forming part of this tender.
- 3.2.2 Bidders must duly complete the Confirmation Notice with the required terms and conditions set out in section 4 of this Bid Document (other than price), initial and include this as part of their Technical Information.
- 3.2.3 On the day of the official award notification, PLL will:
- (i) prepare a new Confirmation Notice (each page will be initialed) containing all the required information in respect of all the LNG cargoes forming part of this tender including the price and selected Delivery Period; and
 - (ii) initial the Integrity Pact set out in [Annex 6](#); and
 - (iii) send a scanned copy of each document referred to under (i) and (ii) above by Email to the successful Compliant Bidder as per the Bidding Timetable.
- 3.2.4 The successful Compliant Bidder must sign and return to PLL, at the Email address set out in section 5.4.1(b) of this Bid Document, within twenty four (24) hours of the successful Compliant Bidder's receipt of the documents referred to in section 3.2.3 above, the complete, initialed and signed Confirmation Notice and Integrity Pact, with each signature duly witnessed.
- 3.2.5 PLL will countersign, and scan the Confirmation Notice, duly signed by both parties, and return the scanned copy to the successful Compliant Bidder by email within one (1) working day.
- 3.2.6 Upon countersignature by PLL of the Confirmation Notice (or of a print out of the soft copy thereof) a binding contract (a "Contract") for the supply and purchase of the LNG cargoes shall be deemed to have been entered into pursuant to this tender but until such countersignature no such contract shall exist.
- 3.2.7 Hard copies of the Confirmation Notice, initialed and signed by both parties, will be exchanged together with the original Integrity Pact duly initialed by PLL and signed by the successful Compliant Bidder.

Please see section 5 of this Bid Document for further details on the tender process.



4 THE REQUEST FOR LNG CARGOES

4.1 Specification

The LNG to be delivered under this tender process shall meet the Specifications set out in Annex-B to the MSPA.

4.2 Quantity

PLL requires the delivery of 72 LNG cargoes each at a volumetric quantity of 140,000 m³ +/- 2%, in accordance with the delivery schedule described as follows:

Duration	5 – 6 years
Supply Period	January 2023 to December 2023 ("Delivery Period-1") January 2024 to December 2028 ("Delivery Period-2")
Cargoes per month	1 LNG Cargo per month
Total Cargoes	Delivery Period-1: 12 LNG Cargoes Delivery Period-2: 60 LNG Cargoes

It is mandatory for the Bidder to submit price proposals for both of the above-mentioned Delivery Periods, in accordance with prescribed format. It will be PLL's prerogative to award the LNG Cargoes under either;

- a) Delivery Period-1 and Delivery Period-2 collectively; OR
- b) Only Delivery Period-2.

For the avoidance of doubt, PLL will not award cargoes of only Delivery Period-1.

4.3 Schedule of delivery

Each LNG cargo shall be available for delivery during the relevant Delivery Window (as defined in the MSPA) and Confirmation Notice.

4.4 Loading Port Details

The Bidder shall communicate to PLL in writing the location of the Loading Port and/or identity of Seller's Facilities and the loading date for each of the LNG cargoes as soon as practicable after the Delivery Window has finalized but in no case later than thirty (30) days prior to the first day of the relevant final Delivery Window.

4.5 Unloading Port and Terminal

Unless otherwise required by PLL as provided in the Confirmation Notice the terminal at which deliveries of each of the LNG cargoes are to be made is the PGPCL Terminal at Port Qasim, Karachi, Pakistan.

4.6 LNG Carriers and Port Compliance

- 4.6.1 For each LNG cargo the Bidder is bidding for, the Bidder must provide the name of the LNG carrier it proposes to use for the delivery of the relevant LNG cargo, its dimensions and



volumetric cargo capacity, the applicable boil-off rate and the heel the Bidder is proposing to retain after unloading of the relevant LNG cargo.

- 4.6.2 Seller shall confirm to PLL, in writing, the final identity, dimensions and capacity of the LNG carrier for each of the LNG cargoes under the contract as soon as practicable, after execution of the Confirmation Notice, but in no case later than fifteen (15) days prior to the first day of the relevant Delivery Window, unless the LNG delivery causes the LNG carrier to call at the Discharge Port and the Receiving Facilities (as defined in the Confirmation Notice) for the first time, in which case the relevant information shall be notified to PLL in writing twenty-one (21) days prior to the first day of the relevant Delivery Window.
- 4.6.3 All LNG carriers must comply with the requirements set out in the MSPA.
- 4.6.4 Before submitting its Bid and until the time of completion of delivery of the relevant LNG cargo(es), it is the responsibility of each Bidder to verify:
 - Current parameters of Port Qasim (the current applicable Notice to Mariners is attached as [Annex 7](#) but Bidders should check with the Port Qasim Authority (PQA) for updates);
 - To ensure compliance of the LNG carrier delivering the relevant LNG cargo with such parameters; and
 - The Terminal Regulations.

PLL shall not assume any responsibility in connection with any information provided by the PQA and any liability incurred by the Bidder for any loss or damage arising out of the information provided by or actions of the PQA. PLL is excluded from such liability to the maximum extent permitted by law.

4.7 Contract Price

- 4.7.1 The delivered ex-ship “Contract Price” (CP_n) (in US\$/MMBtu) applicable to each relevant LNG cargo, the discharge of which commences during a particular calendar month (month n) (the “Contract Price”), shall be:

For Delivery Period-1:

The delivered ex-ship Contract Price for each LNG cargo, under Delivery Period-1, shall be calculated as follows:

$$CP_n = [xx.xxxx] \% Brent_m$$

Where:

Contract Price (CP_n) applicable to the LNG cargo is rounded to 4 decimal places;

For Delivery Period-2:

The delivered ex-ship Contract Price for each LNG cargo, under Delivery Period-2, shall be calculated as follows:

$$CP_n = [xx.xxxx] \% Brent_m$$

Where:



CP_n is the Contract Price applicable to the relevant LNG cargo, rounded to 4 decimal places;

$Brent_m$ for a given month is the arithmetic mean of the 3 values of BRICE (US\$/bbl) for the 3 months immediately preceding (and not including) the month in which the commencement of unloading of the LNG cargo falls. $Brent_m$ shall be rounded to 4 decimal places;

BRICE for a given month is the arithmetic mean of all the settlement prices (in US\$/bbl) for each quoted day of that month as published by the Intercontinental Exchange of the first line ICE Brent future's contract. The first line settlement price will be used except to the expiration date of each maturity. On such date, the applicable pricing quotation will be rolled to the second nearby maturity. BRICE will not be rounded.

Commencement of discharge shall be deemed to occur at the point at which the relevant LNG carrier is shown to be all fast in the port log at the Discharge Port (as defined in the MSPA).

- 4.7.2 Bidders are required to bid for all LNG cargoes under this Tender, as prescribed in section 4.7.1.
- 4.7.3 Note that the use of a constant is not allowed and Commercial Offers that provide for a constant will be rejected. For Delivery Period-1 and Delivery Period-2, please also note that the Commercial Offer should have a single slope inserted as the percentage of Brent in the provisions relating to Contract Price. Submission of different slopes may lead to the Bid being rejected.
- 4.7.4 PLL will be entitled to reject conditional Bids. Whether or not a Bid is conditional shall be determined at the sole discretion of PLL.

4.8 Arrival Notices

Notice provisions are set out in clause 10.1.1 of the MSPA. In case the total time the relevant LNG carrier takes to transport, any LNG cargo the Bidder is bidding for, between the Loading Port and the Discharge Port (both as defined in the MSPA), is equal to or less than:

- (a) 96 hours, clause 10.1.1(b) of the MSPA shall not apply;
- (b) 72 hours, clauses 10.1.1(b) and (c) of the MSPA shall not apply; and
- (c) 48 hours, clauses 10.1.1(b), (c) and (d) of the MSPA shall not apply.

4.9 Allowed Laytime

Bidders shall submit their Bids on the basis of the Allowed Laytime (as defined in the MSPA) of 36 hours.

5 BID PROCESS OVERVIEW

5.1 Tender Process to be Adopted

- 5.1.1 Single Stage Two Envelope Process is adopted whereby each Bidder is required to submit one envelope containing the Technical Information and one envelope containing the Commercial Offer for the LNG cargo the Bidder is bidding for as further described below. The Bid Cover



Letter in the form set out in Annex 5, Part A should be provided separately or as part of the Technical Information but should not be enclosed in the Commercial Offer envelope.

- 5.1.2 In case a Bidder obtains the Bid Document from PLL's website then each of Annexes 1, 2 and 6 printed by the Bidder for execution shall be deemed to fulfil the requirements of original hard copy documents referred to in section 3 of this Bid Document.

5.2 Technical Information

The envelope marked "Technical Information" shall contain:

- a) The Technical Information Cover Letter in the form set out in [Annex 5, Part B](#);
- b) Evidence that the Bidder meets the eligibility criteria set out in paragraph (c) of [Annex 4](#) ("Eligibility Criteria");
- c) The Required Information as set out in paragraph (d) of [Annex 4](#);
- d) Original or scanned copy of the MSPA signed by the Bidder;
- e) The Confirmation Notice attached as Annex 2 to this Bid Document duly completed (apart from price) and initialed by the Bidder;
- f) The Bid Bond as required under section 5.4.11 of this Bid Document.

5.3 Commercial Offer

The envelope marked "Commercial Offer" shall contain the Commercial Offer Letter in the form set out in Annex 5, Part C containing the offer price for both Delivery Periods. Bidders are required to submit Commercial Offer for all LNG cargoes under this Tender, as prescribed in section 4.7.1.

5.4 Submission of Bids, Validity and Other Conditions

- 5.4.1 Bids in the format set out in section 5.1 of this Bid Document in an envelope addressed to the Manager LNG Procurement must be:

- (a) deposited in the Bid Box placed at ninth (9th) Floor, Petroleum House, Ataturk Avenue, G-5/2 Islamabad; or
- (b) sent by post/courier to:

Manager LNG Procurement
PAKISTAN LNG Limited
9th Floor,
Petroleum House,
Ataturk Avenue, 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 1400 hours (PST) on 14 September 2022 (“**Deadline for Submissions**”).

- 5.4.2 Bids should be marked as “**Bids for Supply of LNG**”.
- 5.4.3 Submissions of Bids by Email will not be allowed.
- 5.4.4 The envelope marked “Technical Information” shall be opened at 1430 hours (PST) on 14 September 2022 at the Ninth Floor (9th), Petroleum House, G-5/2 Islamabad or such other venue as may be advised by PLL in the presence of such Bidders or their duly authorised representatives who may wish to be present.
- 5.4.5 If the Technical Information provided is complete and fully compliant with the requirements of this Bid Document and the Bidder meets the Eligibility Criteria, and in case PLL does not already have an MSPA with that Compliant Bidder, PLL will countersign the MSPA of that Compliant Bidder in accordance with the procedure set out in section 3 of this Bid Document.
- 5.4.6 PLL will notify all Bidders of their relevant compliance status by scanned letter or by email sent to the Email address provided by each Bidder in the initial Bid Document request letter along with the date (in case of any change of date), time and venue at which PLL will be opening the Commercial Offers in the presence of such Compliant Bidders or their duly authorised representatives who may wish to be present.
- 5.4.7 The Commercial Offer(s) of each Compliant Bidder shall be opened at the notified time, date and venue and will be evaluated in accordance with section 5.6 of this Bid Document.
- 5.4.8 The Commercial Offer of Bidders whose Technical Information is not complete and/or fully compliant with the requirements of this Bid Document will be returned unopened to the relevant Bidder.
- 5.4.9 Conditional Bids (that is Bids deviating in any form or manner from the requirements of this Bid Document) will not be accepted. If a Seller submits both conditional and unconditional Bids, only the unconditional Bids will be considered.
- 5.4.10 Bids shall remain valid for acceptance as per the Bidding Timetable above.
- 5.4.11 Bidders are required to submit one (1) bid bond with their Bid in the form of an unconditional bank guarantee in the form attached as [Appendix-A to Annex 5](#) of this Bid Document in favour of PLL from a scheduled bank operating in Pakistan with a long term credit rating of at least AA from PACRA/JCR-VIS or equivalent from a reputable international credit rating agency for the amount of United States Dollars one million (USD 1,000,000) (“Bid Bond”). Subject to Section 5.4.16 and 5.4.18, the Bid Bond of the unsuccessful Bidders will be returned within five (5) Pakistan business days after the award of the Contract. The Bid Bond will be enforced by PLL:
- (a) if it has been found that the Bidder has made any misrepresentation regarding the Eligibility Criteria, has submitted any incorrect, misleading or falsified document or information or has been found at any time to have discussed its Bid or to have exchanged information with any Bidder or to have committed any unlawful act(s) of collusion or bribery in relation to this Bid Document; or



- (b) in the event of failure by the successful Compliant Bidder to execute the Confirmation Notice(s) in respect of the LNG cargo(es) which has/have been awarded to it or if it fails or refuses to duly furnish the performance (bank) guarantee referred to in section 5.4.13; or
 - (c) on the occurrence of any other event of default/breach mentioned in this Bid Document.
- 5.4.13 The Successful Compliant Bidder will be required to substitute its Bid Bond with an irrevocable standby letter of credit for an amount of 105% of the estimated value of two (02) Cargoes (based on the price offered by the relevant Compliant Bidder for the first LNG cargo multiplied by each cargo's Estimated Contract Quantity (as defined in the MSPA)) in US Dollars substantially in the form attached as Appendix-A to Annex 2 to this Bid Document from a scheduled bank operating in Pakistan with a long term credit rating of at least AA from PACRA/JCR-VIS or equivalent from a reputable international credit rating agency or from a foreign bank with a long term credit rating of at least A- from Standard and Poor or A3 from Moody's provided that the confirming bank in Pakistan is a scheduled bank with a long term credit rating of at least AA from PACRA/JCR-VIS or equivalent from a reputable international credit rating agency ("Performance Guarantee"), no later than 20 October 2022 during normal working hours. The Performance Guarantee will be enforced by PLL in the event of failure of the Compliant Bidder to comply with any of the conditions of the Contract, without prejudice to any rights and remedies to which PLL may be entitled under the relevant Contract.
- 5.4.14 By submitting a Bid, each Bidder accepts this Bid Document (including its Annexes and their Appendices) without any conditions or restriction of any kind, agrees that PLL shall not bear any liability to the Bidder in respect of any refusal or failure to accept that Bidder's Bid or any cost or expenses related to that Bid, or any loss or damages arising out of this Bid Document, the conduct of this tender process or in respect of any matter arising from this Bid Document. Each Bidder acknowledges and agrees that it submits its Bid(s) entirely at its own risk.
- 5.4.15 The regulations and policy of the GOP concerning the origin of the LNG, flag of the LNG carrier and any trade restrictions and other relevant matters shall apply to each Bid and it is the responsibility of the Bidder that all aspects of its Bid are in compliance with the same. Any information, analysis and/or studies issued in connection with or pursuant to this Bid Document are issued to Bidders solely for the purpose of reference information in relation to this tender process and shall not release a Bidder in any way from its obligations to ensure compliance with any applicable law, decree, regulation, procedure, international, national or local standard or decision relating to safety, environmental protection and navigation, shipping operations, storage, logistics and ship to ship transfer applicable to LNG cargoes and/or LNG quantities to be delivered at the Terminal or such other LNG terminal within Pakistan as may be advised by PLL.
- 5.4.16 It is agreed by each Bidder that if at any point in time, whether during the tender process or the duration of the Contract, it is established that the Bidder is not eligible for any reason(s) whatsoever, or there is a breach of this Bid Document and/or the MSPA, the Bid, the ensuing tender award and/or the Contract, as the case may be, will be considered to be void ab initio and PLL will be entitled, at its sole discretion, to encash the Bid Bond or the Performance Guarantee, as applicable, in the manner set out in section 5.4.11 or 5.4.13. The decision of PLL in this regard will be conclusive, final and binding upon the Bidder and the Bidder hereby waives all its rights and claims as far as the said decision of PLL is concerned.



- 5.4.17 Bidders are expected to examine all instructions, terms and conditions and other information in this Bid Document (by way of any necessary due diligence) before submitting their Bid. By submitting its Bid, each Bidder shall be deemed to have satisfied itself as to all the conditions and circumstances affecting this tender process. Failure to furnish all information required by this Bid Document or submission of an incomplete Bid or a Bid which is not substantially responsive in every respect to this Bid Document will be at the Bidder’s risk and may result in the rejection of its Bid. PLL reserves the right to verify, at its sole discretion, and without prejudice any or all information submitted in the Bid and to reject any Bid containing any false information or misrepresentation or non-disclosure. In case of such rejection, the Bid Bond shall be forfeited to PLL.
- 5.4.18 Any Bidder who is found by PLL, at any time, to have discussed any element or aspect of its Bid or to have exchanged information with any other Bidder, or to have committed any unlawful act(s) of collusion or bribery in relation to this Bid Document may, at the sole discretion of PLL, be disqualified from this tender process, without prejudice to any rights and remedies to which PLL may be entitled in respect of such act(s) under the MSPA, this Bid Document, or where applicable, under any relevant law that may be applicable. Furthermore, any unauthorized modifications/amendments made in the Bid Documents at the time of submission shall result in automatic disqualification of the bid.
- 5.4.19 Bidders are allowed to submit printed copies of scanned bids and the same shall be deemed as original Bid.

5.5 Acceptance / Rejection of Bids

PLL reserves the right to reject any or all Bids at any time prior to the acceptance of a Bid and award of a Contract without incurring any liability to the relevant Bidder(s) in accordance with PPRA Rules. If PLL accepts the successful Compliant Bidder’s bid, then Bidder shall sign the completed Confirmation Notice in respect of such LNG cargo(es) and the relevant Contract shall be entered into upon countersignature of the completed Confirmation Notice by PLL as more fully described in section 3.2.6 of this Bid Document.

5.6 Process of Evaluation of Commercial Offer and Award Criteria

- 5.6.1 PLL will evaluate each Commercial Offer of each of the Compliant Bidders. It will be PLL’s prerogative to award the LNG Cargoes under either;
 - a) Both Delivery Periods i.e., Delivery Period-1 and Delivery Period-2; OR
 - b) Only Delivery Period-2.

For the avoidance of doubt, PLL will not award cargoes of only Delivery Period-1.

Award for a Contract in respect of the LNG cargoes will be made as per following criteria:

- a) If only Delivery Period-2 is selected for award by PLL i.e., 60 Cargoes during January 2024 to December 2028, award for a Contract in respect of the LNG cargoes will be made based on the lowest percentage of Brent_m (as defined in section 4.7.1 of this Bid Document) offered by any Compliant Bidder for the LNG cargoes.
- b) In case both Delivery Period-1 and Delivery Period-2 are selected for award by PLL i.e., 72 Cargoes during January 2023 to December 2028, award for a Contract in respect of the LNG cargoes will be made based on lowest weighted average of quoted slope.



PLL will announce Lowest Evaluated Bid separately for both 5.6.1 (a) and 5.6.1 (b) above.

For avoidance of doubt, in case the lowest evaluated bidder: (a) withdraws its bid, (b) fails to comply with any terms of the Bid Documents, (c) fails to submit the performance guarantee, or (d) fails to deliver after award of an LNG cargo, the next lowest bidder shall be deemed to be the lowest bidder and PLL shall be entitled to award the contract to next lowest bidder and so on within the bid validity period.

5.6.2 PLL will announce the bid evaluation results in a bid evaluation report as per Bidding Timetable mentioned, above.

5.6.3 The selection of a Bid, and award of an LNG cargo in accordance with that Bid, will be made by PLL and the Bidder will be notified as per Bidding Timetable mentioned above.

5.7 Cancellation of Tender Process

PLL shall have the right at any time to cancel this tender process or to reject all Bids in accordance with Rule 33(1) of PPRA Rules. In case of cancellation of the tender process, the Bid Bond will be returned to the Bidder within five (5) Pakistan business days of such cancellation without any interest or accrual thereon.

6 PLL RESERVED RIGHTS

PLL shall have the right at any time or from time to time up to but no later than the date that falls one (1) Pakistan business day before the Deadline for Submissions to:

- (i) modify the terms of this Bid Document at any time or extend the timelines set out herein without PLL incurring any liability to the Bidders, or to any one of them, as a consequence thereof and this Bid Document is to be read in conjunction with any addenda issued pursuant to it and, in case of any extension of timelines hereunder, the Bidder will be required to extend the validity of its Bid accordingly; provided that in any such case the Bidder shall be entitled to withdraw from this tender process and have its Bid Bond returned within five (5) Pakistan business days after its withdrawal; and
- (ii) postpone the date for receiving and opening each of the envelopes included in a Bid.

7 DISCLAIMER

- (a) This Bid Document does not constitute an agreement nor does it constitute a representation that PLL will enter into any Contract with any Bidder, or at all, or that it will purchase any LNG under this tender process. Any contractual commitment on the part of PLL will be subject to the execution of the MSPA and a Confirmation Notice between PLL and the successful Compliant Bidder, pursuant to the terms of the MSPA and this Bid Document, and only those representations and warranties that are made by it in a definitive written agreement, when and if executed, and subject to any limitations and restrictions as may be specified in such definitive written agreement, shall have any legal effect.
- (b) The information contained in this Bid Document or subsequently provided to Bidders, whether orally or in documentary form, by or on behalf of PLL, or any of its employees,



officers or advisers, is provided to the Bidders on the terms and conditions set out in this Bid Document.

- (c) The information contained in this Bid Document does not purport to be comprehensive or contain all of the information that a Bidder may desire with respect to the tender and is subject to updating and amendments at any time. None of PLL or its directors, officers, employees or advisors makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of any information in this Bid Document or the information contained herein or any other information relating to the tender process whether written, oral or in a visual or an electronic form transmitted or made available to the recipients of this information and none of PLL or its directors, officers, employees or advisors shall have any liability for the information contained in, or omitted from this Bid Document, nor for any of the written, oral, electronic or other communications transmitted to the Bidder in the course of the Bidder's investigation and evaluation in relation to, and the submission of, its Bid pursuant to this Bid Document.

8 CONFIDENTIALITY

Bidders shall keep strictly confidential and shall not disclose any confidential information relating to this tender process or PLL's business or operations.

9 GOVERNING LAW AND JURISDICTION

This tender process and this Bid Document shall be governed by, and construed in accordance with the laws of Pakistan. The Courts at Karachi shall have jurisdiction over all disputes arising under, pursuant to and/or in connection with this tender process and the Bidders submit to the jurisdiction of the Courts at Karachi. However, the MSPA and the Confirmation Notice will be governed by the law of England and Wales.

10 COST OF BIDDING

Each Bidder shall bear all costs associated with its participation in the tender process, and PLL will under no circumstances be responsible or liable for those costs, regardless of the conduct or outcome of this tender.

11 KNOWLEDGE OF LOCAL CONDITIONS

Each Bidder shall be obligated to fully inform itself of all local conditions and factors and all federal, provincial and local laws, regulations and guidelines which may have an effect on its ability to execute the Project. Bidders shall have sole responsibility to determine and investigate all matters pertaining to the execution of the Project including the nature and condition of Port Qasim, the Terminal, the LNG re-gasification terminal operated by Pakistan Gas Port Consortium Limited (PGPCL) and Engro Elengy Terminal (Pvt) Ltd at Port Qasim, Karachi, meteorological and oceanographic conditions and all other factors that may affect the cost, duration and execution of the Project.



ANNEX 1: LNG MASTER SALE AND PURCHASE AGREEMENT DELIVERED EX-SHIP



ANNEX 2: CONFIRMATION NOTICE



APPENDIX A TO ANNEX 2
FORM OF PERFORMANCE GUARANTEE



**ANNEX 3: POA STANDARD OPERATING PROCEDURES FOR OPERATING LNG
CARRIERS AND CONDITIONS OF USE**



ANNEX 4: ELIGIBILITY CRITERIA**ELIGIBILITY CRITERIA, REQUIRED INFORMATION AND OTHER DOCUMENTS TO BE PROVIDED AS PART OF TECHNICAL INFORMATION**

1. As part of the Technical Information, the Bidder has provided:
 - (a) MSPA signed by the Bidder.
 - (b) The Confirmation Notice (as provided in Annex 2 to this Bid Document) together with all the relevant information (except price) having been included in manuscript form, its pages initialed and no other amendments having been made to that document or those documents, as applicable;
 - (c) Eligibility Criteria (I + II):
 - I. This will be met if the Bidder can demonstrate that it has experience as LNG producer/supplier/equity owner over the last 2 years. In the case of a joint venture or consortium the description of experience shall be of the principal members. However, it should be noted that in the case of an unincorporated joint venture or consortium only the principal member shall be the Bidder and shall be responsible for the actions of all joint venture partners/consortium members. In the case of a Special Purpose Vehicle ("SPV") the description of experience shall be of its parent company, directly or through one or more subsidiaries and the written confirmation of the parent company's willingness to guarantee the obligations of the SPV will be required; and
 - II. Information and documentary evidence that the Bidder has access to at least 1.0 mtpa of LNG from 2023 through 2028 inclusive through one or more of the following:
 - i. Evidence that Bidder has equity position in one or more liquefaction facility entitling it to the requisite volumes of at least 1.0 mtpa of LNG for each year from 2023 through 2028;
 - ii. Evidence that Bidder has LNG availability of 1.0 mtpa supplies from one or more operating LNG producers for each year from 2023-2028 inclusive; or
 - iii. LNG portfolio with availability of 1.0 mtpa supplies for each year from 2023-2028 inclusive from operating LNG producers or other parties. In case of eligibility being demonstrated under this sub clause, the Bidder should also provide evidential proof that the Bidder has delivered not less than 12 LNG cargoes during the last 24 months. This evidential proof can comprise bills of lading or unloading port reports for each of the LNG cargoes.
 - (d) Required Information:
 - Details of the Bidder, its place of incorporation and shareholding structure.
 - Copies of financial statements of the bidder for the last 2 years; and



- (e) The Bid Bond in the value of US Dollars one million (1,000,000 USD)



ANNEX 5: FORM OF BID LETTERS



PART A: FORM OF BID COVER LETTER

FORM OF BID COVER LETTER

Chief Executive Officer

Pakistan LNG Limited
Petroleum House
9th Floor.
G-5/2
Islamabad - 44000
PAKISTAN

Subject: **BID FOR SUPPLY OF LNG CARGOES**

Dear Sir,

This is with reference to your invitation to bid for supply of LNG on a DES basis at Port Qasim, Karachi.

We are pleased to submit our firm offer in connection with which we attach one sealed envelope containing our Technical Information and a separate sealed envelope containing our Commercial Offer, each clearly marked as such. We confirm that our Bid is open for acceptance until 2300 hours PST on 6 October 2022.

Thanking you.

Yours faithfully,

Authorised Signatory (ies):
Designation, Company,

Date:



PART B: FORM OF TECHNICAL INFORMATION COVER LETTER

Chief Executive Officer

Pakistan LNG Limited
Petroleum House
9th Floor
G-5/2
Islamabad - 44000
PAKISTAN

Subject: **BID FOR SUPPLY OF LNG CARGOES**
-Technical Information-

Dear Sir,

This is with reference to your invitation to bid for supply of LNG on a DES basis at Port Qasim, Karachi pursuant to which we attach the information required for technical compliance as follows:

- (a) Two sets of the MSPA duly executed by us;
- (b) The Confirmation Notice for LNG cargoes we are bidding for with all terms (other than price) duly completed in manuscript form and each page initialed by us;
- (c) Evidence of our meeting the Eligibility Criteria;
- (d) The Required Information; and
- (e) Bid Bond in the value of US Dollars one million (1,000,000 USD).

Thanking you.

Yours faithfully,

Authorised Signatory/ies:
Designation, Company,
Date:



PART C: FORM OF COMMERCIAL OFFER LETTER FOR 72 CARGOES

Chief Executive Officer

Pakistan LNG Limited
 Petroleum House
 9th Floor
 G-5/2
 Islamabad - 44000
 PAKISTAN

Subject: **BID FOR SUPPLY OF 72 LNG CARGOES**

-Commercial Offer-

Dear Sir,

This is with reference to your invitation to bid for supply of LNG on a DES basis at Port Qasim, Karachi:

The offered Contract Price for the respective LNG Cargo(es) of the subject tender are as follows:

Delivery Period	Months	Number of Cargoes	Contract Price
Delivery Period-1	Jan 2023 – Dec 2023	12	[xx.xxxx]% of Brent _m
Delivery Period-2	Jan 2024 – Dec 2028	60	[xx.xxxx]% of Brent _m

We confirm that this offer is open for acceptance until 2300 hours PST on 6 October 2022.

We further acknowledge that we have read all terms and conditions of the Bid Document and its respective Appendices, Addendums (where applicable) and Annexures and we confirm all of them are acceptable to us.

Thanking you.

Yours faithfully,

Authorised Signatory (ies):
 Designation, Company,

Date:



**APPENDIX – A: FORM OF BID BOND IN FORM OF BANK GUARANTEE
(TO BE FURNISHED ON STAMP PAPER OF APPROPRIATE VALUE)**

**Issue Date:
Guarantee No.**

Pakistan LNG Limited

Petroleum House
9th Floor
G-5/2
Islamabad - 44000
PAKISTAN

Whereas M/s _____ (hereinafter called the “BIDDER”) has submitted his/their Bid no. _____ dated _____ for _____ dated _____ (hereinafter called the “BID”).

KNOW ALL MEN BY THESE PRESENTS that WE _____ having our registered office at _____ (hereinafter called “THE BANK”) are bound unto PAKISTAN LNG LIMITED (hereinafter called “THE BUYER”) in the sum mentioned herein and for which payment will and truly be made to the said Buyer, the Bank binds itself, its successors and assigns by these presents. Sealed with the common seal of the Bank this _____ day _____ of 2022.

The conditions of this obligation are that:

1. If the Bidder withdraws his bid during the period of bid validity specified by the Bidder on the Bid, OR
2. If the Bidder having been notified of the acceptance of his Bid during the validity of this guarantee:
 - a. Fails or refuses to execute the Confirmation Notice required, OR
 - b. Fails or refuses to furnish the performance guarantee, in accordance with the instructions to Bidders,

We undertake to pay to the Buyer up to the above amount upon receipt of its written demand, without the Buyer having to substantiate its demand, provided that in its demand the purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions. The Bank will not require any further evidence or proof of the specified condition having been met.

This guarantee will remain in force and valid up to and including seven Pakistan business days after the period of Bid validity, and any demand in respect thereof should reach the Bank not later than 17th October 2022.

Our maximum liability under this guarantee shall not exceed the sum one million US Dollars (1,000,000 USD) and your claim if any lodged in writing at our counters on or before the date mentioned above will be paid in US Dollars, free and clear of any counterclaim, set off, deduction or withholding.



This Guarantee shall be governed by and construed in accordance with the laws of Pakistan and the Courts of Karachi shall have jurisdiction over all disputes arising under, pursuant to and/or in connection with the tender process.

For and on behalf of

Bank



ANNEX 6: INTEGRITY PACT

The Seller hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from the Government of Pakistan (GOP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GOP (hereinafter collectively called "**GOP**") through any corrupt business practice.

Without limiting the generality of the foregoing, the Seller represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP, except that which has been expressly declared pursuant hereto.

The Seller certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GOP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

The Seller accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GOP under any law, contract or other instrument, be voidable at the option of GOP.

Notwithstanding any rights and remedies exercised by GOP in this regard, the Seller agrees to indemnify GOP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GOP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Seller as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP.

IN WITNESS WHEREOF, the Seller has executed this Integrity Pact as of the date first written above.

EXECUTED AND DELIVERED BY THE SELLER: []

By:

Name:

Title:

Witness:

1.

Name:

2.

Name:



ANNEX 7: CURRENT NOTICE TO MARINER

For permissible draughts and dimensions at Port Muhammad Bin Qasim, refer to the latest PQA notice to mariners available at the link below:

<https://www.pqa.gov.pk/en/port-operations/notice-to-mariners>



CHECKLIST

Bids to be deposited in physical form with PLL by 1400 hours (PST) on 14 September 2022 as follows:

- Cover letter (in the form set out in Annex 5, Part 1).
- Technical Proposal containing:
 - MSPA signed by the Bidder or evidence that Bidder has signed the MSPA (see section 3.1).
 - A duly completed and initialed but unpriced Confirmation Notice (see section 3.2.2).
 - Eligibility Criteria documents (see section 5.2(b) and paragraph (c) of Annex 4).
 - Bid Bond (see section 5.4.11).
 - Required Information (see paragraph (d) of Annex 4).
- Commercial Offer (see section 5.3).

* * *

