



**DEMOCRATIC SOCIALIST REPUBLIC OF SRI
LANKA**

MINISTRY OF INDUSTRIES



KAHATAGAHA GRAPHITE LANKA LIMITED

SALE OF KAHATAGAHA GRAPHITE

TENDER REFERENCE NO: KGLL/MKT/TDR/2021/01

INTERNATIONAL COMPETITIVE BIDDING

TENDER COMMITTEE
Ministry Tender Committee (Sales),
Ministry of Industries
P.O.BOX 570, No. 73/1, Galle Road,
Colombo – 03, Sri Lanka.

SELLER
Kahatagaha Graphite Lanka Ltd,
No.561/3, Elvitigala Mawatha,
Narahenpita, Colombo 05,
Sri Lanka.

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SECTION -1: INVITATION FOR BIDS (IFB)

The Chairman of Ministry Tender Committee, on behalf of Kahatagaha Graphite Lanka Ltd, invites sealed bids from the Local or Foreign Parties who are interested in buying following Raw Graphite and Graphite products available at the kahatagaha Mine of Sri Lanka. The Local Parties, who wish to purchase the product and export or go for a value addition could also submit their bids.

The details of products and other relevant details are briefed in below.

Table 01

| | PRODUCTS | QUANTITY (MT) | BID SECURITY (LKR or USD for 20 MTs) | PACKAGE TERMS OF DELIVERY | DATE & TIME OF TENDER CLOSING AND OPENING |
|----|--|---------------|--------------------------------------|---------------------------|---|
| 1. | 92-95 C% Graphite Powder (HS 25041090) | 800 MT | LKR376,000.00 Or USD2035 | 1MT FIBC Bags (Jumbo bag) | 06/04//2021 At 1400hrs |
| 2. | 92-95 C% Graphite Chip (HS 25041090) | | LKR335,000.00 Or USD1815 | | |
| 3. | 90-92 C% Graphite Powder (HS 25041090) | | LKR 282,000.00 Or USD1525 | | |
| 4. | 90-92 C% Graphite Chip (HS 25041090) | | LKR260,000.00 Or USD1405 | | |

* Remarks:

- Kahatagaha Graphite Lanka Ltd is able to produce any type of product mentioned in the Table 1 within the quantity limit of 800 MT. Therefore, the bidder can submit bids for amount required from aforementioned category within the quantity limit of 800 MT.
- Total suppliable graphite quantity is 800 MT Therefore at the evaluation of the tender, quantity segregation starts from high price product to low priced product. However, the Final decision will be taken by Ministry tender committee.
- The amount of bid security is as specified product details (Table 01) are only for 20MTs quantity of graphite. If the buyer bid for quantity more than 20 MT, the bid security should be accordance with amount of the quantity.
Ex: If the bidder bid for 100 MT of 92-95 C% graphite powder bid security value should be USD 10175 (2035 x 5).
- Maximum capacity of powder plant and chip plant are 300 tons per month respectively. Hence supplying time period will be varied according to the product and the quantity.

If any clarification on above remarks can be done from below mentioned officers

- Chairman/ Marketing Division
E-Mail: kglho2019@gmail.com
Telephone: +9411 2368738,
Fax: +9411 2058062
- Mine Manager (Kahatagaha Graphite Lanak Ltd)
E-Mail: kgllmines@gmail.com
Telephone: +9437 2252015

Ministry Tender Committee (Sales),
Ministry of Industries,
PO Box 570, No.73/1, Galle Road,
Colombo -03,
Sri Lanka.

| Combination | Graphite powder (tones) | Graphite Chips (tones) | Required time duration for supplying 800 tones graphite. (Months) |
|-------------|-------------------------|------------------------|---|
| 1 | 0 | 800 | 3 |
| 2 | 50 | 750 | 2.5 |
| 3 | 100 | 700 | 2.5 |
| 4 | 150 | 650 | 2.5 |
| 5 | 200 | 600 | 2 |
| 6 | 250 | 550 | 2 |
| 7 | 300 | 500 | 2 |
| 8 | 350 | 450 | 1.5 |
| 9 | 400 | 400 | 1.5 |
| 10 | 450 | 350 | 1.5 |
| 11 | 500 | 300 | 2 |
| 12 | 550 | 250 | 2 |
| 13 | 600 | 200 | 2 |
| 14 | 650 | 150 | 2.5 |
| 15 | 700 | 100 | 2.5 |
| 16 | 750 | 50 | 2.5 |
| 17 | 800 | 0 | 3 |

The bidder could submit their bid to the products as they are interested for purchase. The Bidding Forms authenticated and issued by the Seller should only be used for submission of bid. The Bidding forms accompanied the Bidding Document may be purchased upon payment of non- refundable Bidding Document Fee of LKR 5000.00 or USD 25 from

“Chairman, Kahatagaha Graphite Lanka Ltd, No. 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka” during the SL time from 0900hrs to 1500hrs on week days till **05/04/2021 from 22/02/2021**. Also authenticated bidding form accompanied with the bidding document can be obtain by mailing the payment slip or any legal document to prove the payment of non-refundable fee of LKR 5000.00 or USD 25 made to Kahatagaha Graphite Lanka Limited Sri lankan Rupee A/c No: 5359657 or US Dollar A/c No: DFC86806514 (Swift Code- BCEYLK LX) maintained at the Bank of Ceylon, Branch of Rideegama Sri Lanka.

The bid should be accompanied the particular bid security and the required other documents specified in the Instructions for Bidders. The Bidding Forms duly filled and prepared in duplicate separately in the sealed envelopes mentioned as ORIGINAL & DUPLICATE and re-inserted in a single envelope sealed and marked “Sales of Kahatagaha graphite “ and “ Tender No. KGLL/MKT/TDR/2021/01” clearly on the top left hand corner of the envelope should either be sent by registered post , courier to the Chairman, Ministry Tender Committee (Sales), Ministry of Industries, PO Box 570, No.73/1, Galle Road, Colombo -03, Sri Lanka or by hand deposited in the Tender Box kept at the Finance Division to receive not later than **1400hrs on 06/04/ 2021** of the above Ministry.

The Tender box will be closed at **1400hrs on 06/04/2021**. The Bids, so received will be opened immediately after closing of the Tender at the Auditorium of Ministry of Industries, The Bidder or only one Representative will be allowed to be present at the time of opening of Tender. Late bids will be rejected.

SECTION - 2; GENERAL INFORMATION (GINFO)

2.1 INTRODUCTION

2.1.1 The Kahatagaha Graphite Mine is a graphite mine located in the village of Kahatagaha in Dodangaslanda in Kurunegala District, North Western Province. Mining started in 1872, under a British owner and was purchased by a local owner Don Charles Gemoris Attygalle. Today its managed by Kahatagaha Graphite Lanka Limited which is Fully government owned limited liability Company, established under the Companies Act No. 23 of 1992 and Company has re-registered under the Companies Act No. 07 of 2007 of Democratic Socialist Republic of Sri Lanka having its principal office of No. 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka. Kahatagaha Graphite Lanka Limited for the time being, gazette under Ministry of Industries. The major shareholder of the company is the Secretary to the Treasury and main policymaking body of KGLL is the Board of Directors, headed by Executive Chairman.

2.1.2 Currently Kahatagaha graphite Lanka limited has a graphite mine and processing plant. Monthly production capacity of underground mine is 65- to 70 tones and its powder processing plant (pulverizing plant) capacity 300 tons per month. Graphite chips and powder are being sold for past decades. The Powder plant is consisting of the indoor warehouse facility for 1000MT of production and currently 800 tons are occupied.

2.1.3 Kahatagaha mine is approximately 100 Km far from the Port of Colombo and 315 km from the Port of Trincomalee. The products could be sailed via both Ports.

2.1.4 The seller will ensure the buyer to provide every assistance in the shipment of goods via Port of Colombo or Port of Trincomalee.

SECTION 3 - PRODUCTS FOR SALE AND RELATED SERVICES (PS &RS)

3.1 PRODUCTS FOR SALE

- 3.1.1 Graphite Product quantity is 800MT of 90-92% of carbon grade graphite powder / chip or 800MT of 92-95% carbon grade graphite chips / Powder, as explained in the details of the products.
- 3.1.2 All products are guaranteed to the specifications provided by the Seller in the clause 3.3 Product Specifications.

3.2 RELATED SERVICES


- 3.2.1 The Graphite products are sold on export basis and delivered on Kahatagaha mine, Maduragoda, Dodangaslanda, Sri Lanka. (INCOTERMS-2010).
- 3.2.2 The obligations of the Seller and Buyer are thereby, the documentation on Exports/ Imports, Inland Transport, Exports Customs Clearance in the term of Exw (INCOTERMS 2010)
- 3.2.3 The Tax Invoice is issued for the products purchased by the Buyer. All Sri Lankan taxes, duties imposed on export of mineral products are on account of the Buyer. However, the consignment on export is on exemption of Value Added Tax. The government royalty incurred in term of Exw value of the product is on account of the Buyer.
- 3.2.4. The possession of government permission may be imperative for the Buyers who wish to add further value to the product locally in Sri Lanka.
- 3.2.5. The Seller is responsible for loading of products to the transport means of the Buyer be available at the Kahatagaha Mine, Maduragoda, Dodangaslanda, Sri Lanka and issuing of weighing certificate, commercial documents, regulatory permits/certificates and the export license for the products delivered on exports.
- 3.2.6 The Export License is provided by the Seller for the foreign Buyers who submit the bids under Business Registration of abroad subject to the submission of required documents to the seller.
- 3.2.7 The Export License could be provided by the Seller for The Buyers, those who won the tender on purchase of any product by submission of bid under Sri Lankan Business Registration, But only upon the early submission of required document to the Seller.
- 3.2.8 The Buyer is responsible for settlement of payment on time in the terms of payment stipulated, removal of products purchased within the time frame and thereby, inland transports, exports & imports custom clearance, independence inspection & additional analysis of products (if required), Cargo insurance, possession of permission from the regulatory bodies for import of the products to their destination and trading as well.

3.3 PRODUCT SPECIFICATIONS

- 3.3.1 Products are sold with warranty to the specifications in the below that are certified by the Geological survey and mines bureau and the Quality Assurance Division of KGLL in pursuant to

Clause 3.1.

a). Elemental Analysis Report.



භූ විද්‍යා සමීක්ෂණ හා පන්ද් කායකාංශය

புவிச்சரிதவியல் அளவை சுரங்கங்கள் பணியகம்


GEOLOGICAL SURVEY & MINES BUREAU

නො. 569, ඵපිටමුල්ල පාර,
පිටකෝට්ටේ, ශ්‍රී ලංකා.
இல. 569, எப்பிட்டமுல்ல வீதி,
பிடகோட்டே, இலங்கை.
No. 569, EPITAMULLA ROAD,
PITAKOTTE, SRI LANKA.

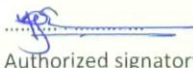
Laboratory Reference No. : AL/20/122/GEN-91
Sample description : Small graphite flakes in polythene bags
No. of Samples : 04
Sample label : As per following table
Submitted by : Kahatagaha Graphite Lanka Limited
Submitted Date : 09.12.2020
Test dates : From -09.12.2020 To - 16.12.2020

Results of Chemical Analysis:

| Constituents | Contents (w/w) | | | | Test method |
|---|--------------------|---------------------|--------------------|----------------------|--|
| | KC 90-92 8 mesh | KP 90-92 200mesh | KC 92-95 8 mesh | KP 92-95 200 mesh | |
| Carbon % | 92.13 | 90.92 | 94.16 | 93.23 | Gravimetry |
| Ash % | 7.27 | 8.43 | 5.44 | 6.26 | |
| Volatiles% | 0.41 | 0.49 | 0.27 | 0.39 | |
| Moisture% | 0.19 | 0.17 | 0.12 | 0.11 | |
| Ash analysis | | | | | |
| Silica as SiO ₂ % | 3.35 | 4.46 | 3.28 | 3.50 | Fusion & Gravimetry |
| Iron as Fe ₂ O ₃ % | 1.60 | 1.47 | 1.03 | 0.75 | Acid Digestion and Atomic Absorption Spectrophotometry |
| Potassium as K ₂ O% | 0.13 | 0.23 | 0.08 | 0.40 | |
| Sodium as Na ₂ O% | 0.07 | 0.18 | 0.03 | 0.08 | |
| Calcium as CaO% | 0.25 | 0.58 | 0.09 | 0.34 | |
| Magnesium as MgO% | 0.09 | 0.25 | 0.07 | 0.11 | |
| Copper as Cu mg/kg | 51 | 66 | 50 | 94 | Acid Digestion and UV/VIS Spectrophotometry |
| Phosphorus as P ₂ O ₅ % | 0.01 | <0.01 | <0.01 | <0.01 | |



H A P Jayalath
Analyst
Date : 17.12.2020



Authorized signatory
Date : 16.12.2020
Y.P. Shamalie Siriwardana
Director (Laboratory & Material Testing)
Geological Survey & Mines Bureau
No. 569, Epitamulla Road
Pitakotte

Page 3 of 3

| | | | | | | |
|-------------------------|------------------------|---|--|---------------------|--|----------------------------------|
| දුරකථන : Telephone : | සභාපති : Chairman : | අධ්‍යක්ෂ ජනරාල් : Director General : | සාමාන්‍යාධිකාරී : General Manager : | පොදු : General : | ෆැක්ස් අංකය : Fax No. : | 94-011-2886273 94-011-2887824 |
| | | 2886268 | 2886271 | 2887826 | 2886289, 2886290 2887820, 2887821 2887822, 2887823 | |

E-mail : gsmb@st.lk WEB SITE : http://www.gsmb.gov.lk

b). Carbon Test Report -90-92% of carbon grade graphite

CARBON TEST REPORT

NATURAL CRYSTALLINE VEIN GRAPHITE



Kahatagaha Graphite
Lanka Limited

Date - 2020/12/04

GENERAL CHARACTERISTICS

| | |
|---------------|---|
| Formula | Carbon |
| Aspect | Graphite Chip-dust (Available semi-processed Graphite stock) |
| Particle size | Below 0.5 inch |
| Purity | 90-92% C (w/w) |

CHEMICAL SPECIFICATIONS

| Test | Method | Result |
|--------------|---------------|--------|
| Ash | ASTM D31743 | 5.80% |
| Volatile | ASTM D3175-03 | 3.18% |
| Fixed Carbon | ASTM D3172-07 | 91.02% |

ANALYSIS DATA

| Sample No. | Dry sample weight (g) | Ash weight (g) | Volatile % (w/w) | Carbon % (w/w) |
|------------|-----------------------|----------------|------------------|----------------|
| 1 | 1.00 | 0.06 | 2.22 | 91.78 |
| 2 | 1.00 | 0.05 | 3.12 | 91.88 |
| 3 | 1.00 | 0.04 | 4.52 | 91.48 |
| 4 | 1.00 | 0.07 | 3.14 | 89.86 |
| 5 | 1.00 | 0.07 | 2.89 | 90.11 |

Note – The analysis was performed on the powdered sample dried at 105°C-110°C

Analyzed and Prepared by,

Safety, QA & Product development officer

Approved by,

Processing Executive

The information contained in this CTR is believed to be correct and samples were collected to represent bulk semi-processed Graphite stock. However, no warranty is made, either express or implied, regarding the accuracy or the results to be obtained by the use of such information.

Kahatagaha Graphite Lanka Limited, 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05. Sri Lanka.

TP: +94 112368738 / +94 112368737 E-Mail: kgll@sltnet.lk

c.) Carbon Test Report 92-95% of carbon grade graphite

CARBON TEST REPORT

NATURAL CRYSTALLINE VEIN GRAPHITE



Kahatagaha Graphite
Lanka Limited

Date - 2020/12/04

GENERAL CHARACTERISTICS

| | |
|---------------|---|
| Formula | Carbon |
| Aspect | Graphite Chip-dust (Available semi-processed Graphite stock) |
| Particle size | Below 1 inch |
| Purity | 92-95% C (w/w) |

CHEMICAL SPECIFICATIONS

| Test | Method | Result |
|--------------|---------------|--------|
| Ash | ASTM D31743 | 4.80% |
| Volatile | ASTM D3175-03 | 2.14% |
| Fixed Carbon | ASTM D3172-07 | 93.06% |

ANALYSIS DATA

| Sample No. | Dry sample weight (g) | Ash weight (g) | Volatile % (w/w) | Carbon % (w/w) |
|------------|-----------------------|----------------|------------------|----------------|
| 1 | 1.00 | 0.03 | 2.85 | 94.15 |
| 2 | 1.00 | 0.04 | 2.52 | 93.48 |
| 3 | 1.00 | 0.06 | 2.20 | 91.80 |
| 4 | 1.00 | 0.05 | 1.14 | 93.86 |
| 5 | 1.00 | 0.06 | 1.98 | 92.02 |

Note – The analysis was performed on the powdered sample dried at 105°C-110°C

Analyzed and Prepared by,

Safety, QA & Product development officer

Approved by,

Processing Executive

The information contained in this CTR is believed to be correct and samples were collected to represent bulk semi-processed Graphite stock. However, no warranty is made, either express or implied, regarding the accuracy or the results to be obtained by the use of such information.

Kahatagaha Graphite Lanka Limited, 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05. Sri Lanka.

TP: +94 112368738 / +94 112368737 E-Mail: kgll@sltnet.lk

SECTION 4 - INSTRUCTIONS TO BIDDERS AND BIDDING DATA (ITB &BD)

4.1 DEFINITIONS

- 4.1.1 The term “Seller” is Kahatagha Grpahite Lanka Ltd and the “Interested Party” defined as the party who have potential for Graphite Products, “Bidder” as the party who submits the bid, “Successful Bidder” means the party who was selected for award of the tender, “Buyer / Purchaser” is the party who won the tender or a part of tender “Product” as the Kahatagaha Graphite s offered for sale by the Seller and the “Goods / Stocks” as the certain product reserved for buyer for shipment.
- 4.1.2 The Seller indicated in the Section -2, General Information, issues the Bidding Document on sale of Graphite Products incidental thereto as specified in Section-3 Products for sale & related Services. The products and their HS codes are specified in the Section -1, Invitation for Bids above.
- 4.1.3 The bidding is conducted through the International Competitive Bidding procedure. The bidding process and the decisions over the sale of products is under Financial Authority of the Ministry Tender Committee. The decision of the Secretary of the Ministry of Industries will be the final in the award of tender.
- 4.1.4 Throughout the bidding process the term “in writing” means communicated in written form by mail (including electronic mail) or hand delivered with proof of receipt.
- 4.1.5 If the context so requires, “singular” means “plural” and vice versa; and “day” means calendar day.
- 4.1.6 This refers to the Tender Notice advertised in the National Newspapers of Silumina, Sunday Observer and Vaaramanjari on 21/02/2021 in Sinhala, English and Tamil. Further, the Kahatagaha Graphite Lanka Ltd website - www.kgraphite.lk & Ministry of Industries website www.industry.gov.lk

4.2. ETHICS, FRAUDS & CORRUPTIONS

- 4.2.1 The attention of the Bidders is drawn to the following guidelines to ensure smooth governing of the sales process.
- a) Parties associated with sales actions, namely, Bidders/ Buyers and Officials shall ensure that they Maintain strict confidentiality throughout the process;
 - b) Officials shall refrain from receiving any personal gains from any Sale Action. No gifts or inducement shall be accepted. Bidders/ Buyers are liable to be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.
- 4.2.2 The Seller requires the Bidders/ Buyers to observe the highest standard of ethics during the sale and execution of such contracts. In pursuit of this policy:
- a) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of Anything of value to influence the action of a public official in the sales process or in contract execution;
 - b) “Fraudulent practice” means a misrepresentation or omission of facts in order to influence a Sale process or the execution of a contract;
 - c) “Collusive practice” means a scheme or arrangement between two or more Bidders, with or Without the knowledge of the Seller to establish bid prices at artificial, noncompetitive levels;

And

d) “Coercive practice” means harming or threatening to harm, directly or indirectly, persons or the property to influence their participation in the sales process or affect the execution of a 10 contract.

4.2.3 If the Seller found any unethical practices as stipulated under Clause 4.2.2 above, that a Bidder directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the Contract in question, the Seller will reject a bid.

4.3 BIDDING DOCUMENT

4.3.1 Bidding Document is also referred to as Tender Document and consists with Tender Notice (Invitation for Bids), General Information, Product for sale & Related Services, Instructions to Bidders, Bid Evaluation Criteria, Terms and Conditions of Contract, Bidding Forms & Contract Agreement.

4.3.2 The communication language is English and therefore, every documents and correspondence should be in English

4.4 ELIGIBLE BIDDERS

4.4.1 All bidders shall process legal right to buy full or part of the graphite stock as specified in the table 01 of section 01 of the bidding document. A Bidder shall not have a conflict of interest, under a declaration of ineligibility at the date of submission of the bid & the date of contract award and debarred in any country. All bidders found to have conflict of interest shall be disqualified.

4.4.2 All bidders shall possess legal rights to buy Kahatagaha Graphite under this contract and for imports of the product. A Bidder shall not have a conflict of interest, under a declaration of ineligibility at the date of submission of the bid & the date of contract award and debarred in any country. All bidders found to have conflict of interest shall be disqualified.

4.4.3 To be qualified for submission of the bid by the bidder and acceptance of the bid by the seller, the bidder should originally process a valid business registration either by incorporated as limited liability or individual Company registered abroad or in Sri Lanka.

4.4.4 The respective addresses and the contact details given and set out by the bidders in the bid will be considered for all purposes. The Parties choose their respective addresses set out in the agreement for all purposes arising out of or in connection with this Agreement, at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination may validly be served upon or delivered to the Parties

4.5 PREPARATION FOR BID

4.5.1 The products are delivered at the Kahatagaha Mine, Maduragoda, Dodangaslanda, Sri Lanka on EX-WORKS (2010). The costs & risk are on account of the Bidder and Seller in terms of Ex- Works (2010) unless otherwise stated in the clause 3.2 of Section -3, PS & RS.

4.5.2 The bidder could bid for full or part of the graphite product quantity specified at product quantity in table-01.

4.5.3 The products are guaranteed to the specifications provided by the Seller. However, the party, who chooses to analyze the products offered for sale, they could visit at Kahatagaha mine, Maduragoda, Dodangaslanda, Sri Lanka and take required sample

for their own analysis. As well, the samples could be obtained from the Marketing Division of Kahatagaha Graphite Lanka Limited, No. 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka on normal working days upon submission of written request to Chairman.

- 4.5.4 The bid should be submitted by the bidder in United State Dollars (USD) and it should remain valid for 45 days from the date of opening of tender. The bids submitted in any other currency will not be accepted.
- 4.5.5 The bidder could visit the websites of www.industry.gov.lk or www.kgraphite.lk free of charge and open the complete bidding document published in the websites for more details and easy reference.

However, the Prescribed Bidding Forms authenticated and issued by the Seller should only be used for submission of bid as they are the legal forms. This may be purchased upon payment of a non-refundable fee of LKR5000 or USD 25 from Chairman, Kahatagaha Graphite Lanka Ltd. No. 561/3, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka on normal working days between **0900hrs to 1500hrs from the date of 22/02/2021** and submission of written request. The issuance of Bidding Forms will be closed at **1500hrs on 05/04/2021**. The bidders who are interested in participating in tender should ensure to work within the stipulated time frame and no delay in submission of the bid.

- 4.5.6 The bidder, who wish to obtain the Prescribed Bidding Forms via electronic mail, should send an official request on kglho2019@gmail.com or kglmines@gmail.com together with the copy of remittance advice or payment slip issued by the bank upon payment of bidding forms fee. On receipt of such requests and the payment, the Seller will forward the Bidding Forms stamped and authenticated to the Applicant by return email. Those who wish to obtain Bidding Forms via e- mails, should ensure to work in advance in submission of the bid on time.

- 4.5.7 The bid should be prepared with Bid Form and Bid Submission Form duly filled and accompanied the followings.

- (i) Particular Bid Security
- (ii) Copy of valid Business Registration accompanied the document of proven shareholders' / Owner's identical details and specimen signatures therein
- (iii) Copy of last year Audited Financial Statement of the Company
- (iv) Copy of VAT / SVAT Registration (Local Bidder Only)
- (v) Copies of National Identity Card/ Passport of the Company Owner
- (vi) Authorization for representative if letter of authorization is granted to work on the Tender (if required),
- (vii) Agreement of Consortium/ Association / Joint Venture & Authorization of the Leading Party and
- (viii) Submission of documentary evidence to prove the bidder's competence to perform the contract successfully in the trading of graphite or manufacturing graphite-based end products, warehouse facility available and competency in manufacture of value-added products will be added advantage in the evaluation of bids at a critical decision. The bidder should be the Owner/ Shareholder of the Company. A representative could be assigned by the Owner of the Company delivering authority certifying the specimen signature of the representative for dealing with the tender as signatory. These two signatories could only be dealing in the tender and signed in the Contract Agreement.

4.5.8 The bid Securities of each product are as specified in the invitation for bidders (IFB) either by LKR or USD and it should be valid for 45 days from the opening date of tender (**till 21/05/2021**). The bid security could be made in cash or in the form of Bank Guarantee corresponding to the amounts specified in the Section-1 IFB.

4.5.8 1) Bid Security, by cash shall either in SLR or USD, giving reference to Tender number, be deposited in favor of Kahatagaha Graphite Lanka Limited to credit of Rupee A/c No:5359657 or US Dollar A/c No: DFC86806514 (Swift Code-BCEYLK LX) maintained at the Bank of Ceylon, Branch of Rideegama, Sri Lanka before **1300hrs on 06 / 04/ 2021**. The copy of remittance advice/cash deposit advice certified/authenticated by the Authorized Officer of the bank/ Attorney- at -Law should also be attached to the Prescribed Bid Form.

4.5.8 2) The Bid Security in the form of Bank Guarantee should be furnished with the Specimen form of Bid Guarantee provided by the Seller in accordance with the Section- 07 bidding Forms and it should be unconditional, and payable on first demand of the Seller. The bank guarantee should be in favour of Chairman, Kahatagaha Graphite Lanka Limited from any Commercial Bank registered under Central Bank of Sri Lanka or a Bank in another country but guarantee “unconditionally confirmed” by a bank operating in Sri Lanka registered under Central Bank of Sri Lanka. (The original bank guarantees should be attached to the Bid submitted with Bidding Form) Some of Banks operating in Sri Lanka are listed below for easy reference.

- | | |
|------------------------------------|---------------------------------------|
| i) Bank of Ceylon | xiv) National Development Bank PCL |
| ii) Peoples Bank PLC | xv) Nation trust Bank PLC |
| iii) Amana Bank PLC | xvi) Pan Asia Bank in Cooperation PLC |
| iv) Axis Bank Ltd | xvii) Public Bank Berhad |
| v) Cargills Bank Ltd. | xviii) Sampath Bank PLC |
| vi) City Bank N.A. | xix) Seylan Bank PLC |
| vii) Commercial Bank of Ceylon PLC | xx) Standard Chartered Bank |
| viii) Deutsche Bank AG | xxi) State Bank of India |
| ix) DFCC Wardana Bank | xxii) The HSBC Ltd |
| x) Habib Bank Ltd | xxiii) Union Bank of Colombo Ltd |
| xi) HNB PLC | xxiv) ICICI Bank |
| xii) Indian Bank | xxv) MCB Bank |
| xiii) Indian Overseas Bank | |

4.5.9 The Government Royalty is imposed on export of mineral products and it is 7% of FOB value. Since the product delivery mode is on Exw-Kahatagaha mine, Maduragoda, Dodangaslanda, Sri Lanka, the royalty incurred for value difference of Exw Kahatagaha mine, Maduragoda, Dodangaslanda, Sri Lanka and FOB Colombo / Trincomalee is on account of the buyer. Therefore, this royalty has to be borne by the foreign buyer in addition to the bid price.

4.5.10 The Local Buyer also should pay royalty according to the section No: 4.5.9.

4.5.11 The royalty, taxes, duties and any other levies will be subject to revision of the Government policies of Sri Lanka.

4.6 AMENDMENT TO BIDDING DOCUMENT

- 4.6.1 Amendment to the Bidding Document could be made by the Seller and to give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the Seller may, at its discretion, extend the deadline for the submission of bids. Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have obtained the Bidding Document and published on the websites for others reference. In which cause all rights and obligations of the Seller and Bidders previously subject to the deadline shall thereafter, be subject to the deadline as extended. A Bidder granting the request shall not be required or permitted to modify the bidding document.
- 4.6.2 In exceptional circumstances, prior to the expiration of the bid validity date, the Seller may request Bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested to extend by the Seller, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security.

4.7 SUBMISSION, WITHDRAWAL, MODIFICATION AND OPENING OF BIDS

- 4.7.1 The Bidding Form authenticated by the Seller should be used for submission of bid.
- 4.7.2 The Bidder shall submit the sealed bid duly filled within the period valid for submission of bid together with respective Bid Security and other required documents detailed in the clause 4.5.7 of Section - 4 ITB&BD by registered post, courier or hand delivery as instructed in the clause 4.7.3 of Section -4, ITB&BD below.
- 4.7.3 The Bid for tender, duly completed with the prescribed bidding forms and the documents required in duplicate enclosed in the separate envelope and marked as “ORIGINAL” and “DUPLICATE” and re-enclosed the same in a suitable single envelope sealed & marked as “Sale of Kahatagaha Graphite” and mentioned relevant tender no: “KGLL/MKT/TDR/2021/01” on the top left hand corner of the envelope, should either be forwarded by registered post or courier to the Chairman, Ministry Tender Committee (Sales), Ministry of Industries , PO Box 570, No.73/1, Galle Road, Colombo - 03, Sri Lanka or deposited by hand in the Tender Box available at the fiancé division of the above Ministry to receive not later than **1400hrs on 06/04/2021**.
- 4.7.4 All details and documents requested by the Seller with the Biding Forms should be furnished by the Bidder. The submission of incomplete bid without perfect filling and or documents required will result rejection of bid.
- 4.7.5 A Bidder may withdraw or modify its bid, after it has been submitted by sending a written notice to the Chairman, Ministry Tender Committee (Sales) duly signed by the Signatory or an Authorized Representative with a copy of the authorization. The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be submitted in the formal way and in addition, the respective envelope shall be clearly marked “WITHDRAWAL” “SUBSTITUTION” or “MODIFICATION;” and received by the Seller prior to the deadline prescribed for submission of bids.
- 4.7.6 Bids requested to be withdrawn shall be returned to the Bidders only upon notification of contract award to the Successful Bidder. No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Buyer on the Bid Submission Form or any extension thereof.

4.7.7 The tender will be opened in public at the Ministry of Industries, P.O. Box 570, No. 73/1, Galle Rd, Colombo- 03, Sri Lanka, immediately after closing the tender **at 1400hrs on 06/04/2021.**

4.7.8 Late bids will not be opened and rejected by being returned to the party by registered post.

4.8 CONTRACT AWARD, SETTLEMENT OF PAYMENT AND DISCHARGE OF BID SECURITY

4.8.1 The Seller shall award the Contract to the Bidder whose offer that has been determined to be the highest evaluated bid substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified and satisfactory to perform the Contract. The Seller will take every effort to award the tender within 30 days of opening of tender unless there will otherwise be any updates.

4.8.2 The Pro-Forma Invoice & Commercial Invoice will be issued at the award of tender for the contract value with the additional royalty & taxes as applicable & specified in the sub-clauses 4.5.9, 4.5.10 and 4.5.11 above.

4.8.3 Prior to the expiration of bid validity, the Seller shall notify the Successful Bidder, in writing, that its bid has been accepted.

4.8.4 The Seller, at its discretion, observes for increase of the quantity of the product originally specified in the Section-1 IFB at the award of tender if the Successful Bidder would like to purchase more. The quantity increases do not exceed of fifty percent (50%) and it will be without any change to the bid prices or terms and conditions stipulated in the Bidding Documents. The Seller's discretion shall take precedence over this issuance of additional quantity.

4.8.5 The Seller & Successful Bidder should enter into the Contract Agreement at the award of tender. Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

4.8.6 The bid security of the unsuccessful bidders being the bids are not highest and substantially responsive to the bidding document will be released upon receipt of written request for withdrawal of their bid securities after recommendation of the Ministry Tender Committee / formal approval for award of tender. However, the bid security of successful bidder who has submitted highest bid substantially responsive will only be released after signing the contract & the settlement of the contract value within time stipulated and execution of the obligations of the Successful Bidder. The bid security furnished by the successful bidder will therefore, be performing as a security until the settlement of contract value in full. The payment of the product settled upon contract value by the successful bidder will thereafter, be set forth as performance Security until the entire stock purchased is removed.

4.8.7 Within Seven (7) days of notification of the tender award, the Seller shall complete the Agreement, and inform the Successful Bidder to sign it. The Successful Bidder shall sign

the Contract Agreement within Ten (10) days of notification of award. If the Successful Bidder is from Abroad and wishes to sign the Contract Agreement via e-mail, they should convey the message to the Seller for same in writing. The Seller will thereafter, make necessary arrangements to forward the Contract Agreement through e- mail to be signed the same at the Office of the Embassy / High Commission of Sri Lanka in the successful bidder's country in the presence of Official designated by the Embassy of Sri

Lanka. KGLL will arranged the ground for signing the contract agreement in the Embassy.

- 4.8.8 The pro forma Invoice will also be issued by the Seller on request of successful bidder. It includes the total value of the product at the rate of bid and the additional royalty, taxes and levies as applicable and details for payment and shipment.
- 4.8.9 The payment term is on advance and shall be settled within fourteen (14) working days from the date of award of the tender. On receipt of entire payment of the Contract, the Seller shall discharge the Bid Security of the Successful Bidder. However, the successful bidder on purchase of graphite 250MT or above is facilitated for settlement of the total tendered value by four installments producing 10% of performance security unconditional, valid for 85 days and payable on first demand of the Seller in writing and settling the payment of one fourth ($\frac{1}{4}$) of the total quantity requested by the buyer being the first instalment within 14 working days of award of the tender. The rest of payment respectively by the value of requested tonnage on or before 40 days, 60 days and 70days of award of tender. Any stock will not be issued on credit basis. No sooner the total payment of the tender is paid fully, the Performance Security will be released and the payment made is constituted for the obligations of the buyer until removal of the total stock purchased.
- 4.8.10 The failure of Successful Bidder to settle the full payment of the contract value and sign the Contract within stipulated time frame will constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security/ performance security.
- 4.8.11 Where the Successful Bidder, after award of the tender fails to execute their any obligations within stipulated time frame, the Seller thereby, decides to cancel the tender awarded and consider for re- award of the tender at the same rate (highest received) to the other bidders offered substantially responsive under the same terms and conditions. The seller will, on such a decision, enquire first from the second highest and subsequently from the others in order of position of their bids within 30 days of opening of tender for acceptance of the bidder unless the bid security has been withdrawn by them.
- 4.8.12 The bidder, who was enquired under sub clause 4.8.11 above should forward their response within 3 working days in writing along with their option whether to agree or not for purchase the products & the total quantity. The response of the bidder accepting for purchase of product after three working days will not be considered by the Seller.
- 4.8.13 The Bidder and Successful Bidder should bear the all charges levied by Foreign and Local Banks in transmission of any remittance through the Banks.
- 4.8.14 The Seller acknowledges the Successful Bidder the receipt of payment.
- 4.8.15 In the case of extension requested for settlement of payment by the Successful Bidder, the Seller may consider the request and grant extension if the reasons explained by the Successful Bidder are acceptable. At its case of discretion, the Seller may impose 0.1% of interest for due payment per day and invoice to the buyer as surcharge by an additional invoice. But such extension is limited to a month in maximum.

4.9 CLEARANCE OF GOODS PURCHASED

- 4.9.1 The purchased volume of Graphite should be removed within 150 days of issuance of the acceptance letter on award of Tender.
- 4.9.2 The successful bidder is permitted to remove the stock only upon settlement of full Contract Value or particular payment within the time frame and should commence the clearance of stock within 10 days of payment.
- 4.9.3 Partial Shipment is permitted and allowed by the Seller.
- 4.9.4 The Successful Bidder shall instruct to the Seller of their shipment schedule prior to 21 days of shipment to make ready and arrange the export license, loading and other documents that are required for transport and exports of the stocks.
- 4.9.5 The Foreign Buyer could provide the Seller the Transporters, Freight Forwarders and the Consignees abroad for the shipments in writing. The inland transport permit is provided by the Seller on submission of required documents and Transporter of the buyer. In the assigning of Consignee for shipment, the Seller issues necessary documents for shipment but the buyer shall bear all responsibilities in respect of their performance.
- 4.9.6 The local bidder being the successful in the tender could shift the product to their Foreign Parties by their own shipment arrangements. Export license will be arranged by the Seller upon submission of Bill of Lading (BL) , Letter of Credit (LC), Party's Copy of CUSDEC (if required) by the local bidder. No sooner the export clearance of consignment is completed for reference of the Seller and records. The original Export License issued for the freight forwarder of foreign buyer and the transport permits & waybill issued from our Factory should be returned to the Seller at the completion of entire export or during the exports if required for verification of the seller.
- 4.9.7 The Successful Bidder should commence the stock clearance sooner the payment is settled and take every effort to clear the graphite stock within 150 days or part within 60 as specified in the clause 4.9.1 of Section 4, ITB&BD above. Unless otherwise extension has been granted by the Seller, demurrage will be charged for the stock not removed within approved period pursuant to clause 6.23.2 of Section-6, Terms & Conditions of Contract. The stock retains under demurrage or extension provided will strictly be limited to 30 days. The Seller reserves the right to forfeit the stock remaining further after completion of approved period and the extension given if any for removal of stock and to terminate the tender.
- 4.9.8 The Seller shall issue the goods on request of the buyer and provide the documents for transport and export of goods in pursuant to Section -3 PS&SR viz Commercial Invoice, Country of Origin, Packing List, Weight Certificate, Copy of Export License. In addition to these documents, the regulatory permits required on International Preferential / Free Trade Agreements will also be provided upon requirement of the buyer.
- 4.9.9 The products sold on exports basis should not be stored anywhere in the local warehouse if the export is taken place through Export License provided by KGLL.

SECTION 5 - BID EVALUATION CRITERIA (BEC)

- 5.1 The Seller shall evaluate each bid which has been determined up to this stage of the evaluation, to be substantially responsive and compare all substantially responsive bids to determine the highest-evaluated bid. To assist in the examination, evaluation, comparison and post-qualification of the bids, the Seller may, at its discretion, request any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Seller, shall not be considered for purpose of evaluation. The Seller's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Seller in the evaluation of the bids.
- 5.2 There is no any domestic preference for evaluation of bids. Every bidder whether they are foreign or local both has equal opportunity.
- 5.3 The bid price offered by the bidder will be the most significant factor in the evaluation of bids.
- 5.4 The past performance of the bidder in the settlement of payment and experienced by the Seller in removal of the stock and submission of relevant documents by the buyer on completion of their previous shipments are considered as past response and satisfactory execution of the bidder's obligations. The competency of the bidder in trading, processing and value addition on Kahatagaha Graphite s based are considered as an additional qualification on award of the tender at critical selection of the successful bidder.
- 5.5 The global market published by reputed organizations are also taken into consideration in the evaluation of bids.

SECTION 6 - TERMS AND CONDITIONS OF CONTRACT (T & CC)

6.1 DEFINITION

- 6.1.1 The following words and expressions shall have the meanings hereby assigned to them:
 - a. "Contract" means the Contract Agreement entered into between the Buyer and the Seller together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
 - b. "Contract Documents" means the documents listed in the Contract Agreement, including the amendments thereto.
 - c. "Contract Value" means the Value of tender payable to the Seller as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
 - d. "Day" means calendar day.
 - e. "Completion" means the fulfillment of the Delivery /supply of Products/Goods and imports and exports to the destination in terms of INCOTERM specified and completion of the Related Services by the Seller and the Buyer in accordance with the terms and conditions set forth in the Contract.
 - f. "T&CC" means the Terms & Conditions of Contract.
 - g. "Goods / Products" means all of the commodities that the Seller is required to sell and deliver to the buyer under the Contract.
 - h. "Seller" means Kahatagaha graphite Lanka Limited and the entity sells / delivers the Goods/ products and Related Services, as stated in the clause 2.1.1 of Section 2 GINFO.

- i. “Related Services” means the services incidental to the imports and exports of the goods/ products such as insurance, transport of goods and other obligations of the Seller and Buyer under the Contract.
- j. “Subcontractor” means any natural person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Buyer / Seller
- k. “Successful Bidder” means the entity selected by the seller for purchasing the Goods and accepted the award and Related Services, as specified in the Products for Sale and Related Services and further defined in the T&CC.
- l. Buyer/ Purchaser means the bidder who signed the contract upon award of tender or part of tender and settle the contract value fully
- m. “Kahatagaha mine” where applicable, means the place named as a delivery point of products.
- n. The “Global Market” means the price of Graphite product published by any reputed source of reviewing the Graphite based industry and is the source acceptable to Kahatagaha graphite Lanka Ltd.
- o. “Local Buyer” means the party won the tender on submission of bid under business registration of Sri Lanka and “Foreign Buyer” is the party who won the tender on submission of bid under business registration of abroad.

6.2 CONTRACT DOCUMENTS

- 6.2.1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.

6.3 FRAUD AND CORRUPTION

- 6.3.1 The Government of Sri Lanka requires the Seller as well as Buyer to observe the highest standard of ethics during the Sale process and execution of such contracts. In pursuit of this policy:

- I. “corrupt practice” means offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of public official in the Sales process or in contract execution;
- II. “fraudulent practice” means a misrepresentation or omission of facts in order to influence a Sales process or the execution of a contract;
- III. “collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Seller to establish bid prices at artificial, noncompetitive levels; and
- IV. “coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the Sales process or affect the execution of a contract.

6.4 INTERPRETATION

- 6.4.1 The contract constitutes the entire agreement between the Seller and the Buyer and supersedes all communications, negotiations and agreements (whether written or oral) of the parties with respect thereto made prior to the date of Contract.
- 6.4.2 No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party thereto.

6.4.3 Severability if any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

6.5 LANGUAGE

6.5.1 The Contract as well as all correspondence and documents relating to the Contract exchanged by the Seller and the Buyer, shall be written in English language. Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages certified by an authorized translator in the language specified, in which case, for purposes of interpretation of the Contract, this translation shall govern.

6.5.2 The Buyer shall bear all costs of translation to the governing language and all risks of the accuracy of such translation, for documents provided by the buyer.

6.6 JOINT VENTURE, CONSORTIUM OR ASSOCIATION

6.6.1 If the Buyer is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Seller for the fulfillment of the provisions of the Contract and shall designate one party to act as leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium or association shall not be altered without the prior consent of the Seller.

6.6.2 The bid submitted by the party should accompany the power of attorney.

6.7 ELIGIBILITY

6.7.1 All goods delivered under this contract shall be complied with the specifications provided by the Seller unless otherwise stated the product has no warranty. In the absence of such standards, the products should be tested at the independence laboratory acceptable to both Seller and Buyer before shipment on Exw basis within the validity for removal of stock.

6.7.2 If the Seller has determined for compensation of the product, additional quantity for compensation, corresponding to the default accepted by the seller will be issued only in the same product and not by payment. However, the buyer should bear the additional all charges incurred in respect of permits and documents and incidental thereto.

6.8 GOVERNING LAW

6.8.1 The Contract shall be governed by and interpreted in accordance with the laws of the Democratic Socialist Republic of Sri Lanka.

6.9 SETTLEMENT OF DISPUTES

6.9.1 The Seller and the Buyer shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

6.9.2 If, after twenty-eight (28) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Seller or the Buyer may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or before delivery of the Product

under the Contract. Arbitration proceedings shall be conducted in accordance with the Arbitration Act No:11 of 1995. The venue of arbitration taken place is Colombo, Sri Lanka.

6.9.3 Notwithstanding any reference to arbitration herein,

- (a) The parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) The Buyer shall pay the Seller any monies due the Seller.

6.10 SCOPE OF SALE

6.10.1 The Products to be sold / delivered and the services to be rendered shall be as specified with Section 3, Products for Sale & Related Services and the clause 4.1 of Section- 4

6.11 BUYER'S RESPONSIBILITIES

6.11.1 The Buyer shall clear the stock purchased and execute the Services in accordance with Section - 3 Products for Sale and Related Services and Seller as well.

6.12 CONTRACT PRICE

6.12.1 Bid price offered by the Bidder for the Products and the Related Services performed under the Contract shall not vary from the prices quoted by the bidder by its bid.

6.13 TERMS OF PAYMENT

6.13.1 The Contract Value shall be paid as specified in the clause 4.8.9 of Section -4, ITB & BD.

6.13.2 The Seller's request for payment, shall be made to the Buyer in writing, accompanied the Pro forma Invoice by being detailed of the required terms as appropriate.

6.13.3 Payments could be made promptly by the Buyer/ Successful Bidder at the request for payment by the Seller until Contract Agreement is signed referred to the Pro forma Invoice and the notification of award and acceptance the same.

6.13.4 The failure of Successful Bidder to do the payment on time is considered as breaching of payment terms and results forfeiture of Bid Security.

6.14 TAXES AND DUTIES

6.14.1 The Buyer will be entirely responsible originally for all Inland Royalty, Taxes, Duties, License Fees etc and same has been deliberate as appropriate on the sales order. However, where there is any compensation of product in place of any measures both agreed, the expenses incurred upon submission of subsequent documentary incidental thereto viz taxes, levies, royalty, License fees shall be borne by the Buyer

6.15 PERFORMANCE SECURITY

6.15.1 As specified in the Instructions to Bidder clause 4.8.6 and 4.8.9 of Section - 4, ITB&BD the buyer shall be adhered either to furnish the performance security or not on selection their payment terms. The Bid Security of the buyer or performance Security submitted is continued onwards in place of obligations of the buyer in the contract until the payment is made by the buyer fully. The payment of the tender settled by the buyer will thereafter, be the security for rest of obligations of the buyer until remove the stock purchased.

6.15.2 The Bid Security / Performance Security shall be payable to the Seller as compensation for any loss resulting from the Buyer's failure upon execution of its obligations under the Contract.

6.15.3 The Bid Security / performance security shall be discharged by the Seller and returned to the Buyer or relevant Bank not later than 10 working days (10) days upon completion of the Buyer's obligations vested with the buyer on settlement of contract value.

6.16 CONFIDENTIAL INFORMATION

6.16.1 The Seller and the Buyer shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data, or other information furnished directly or indirectly by the other party hereto in connection with the Contract.

6.16.2 The Buyer shall not use such documents, data, and other information received from the Seller for any purposes unrelated to the contract. Similarly, the Seller shall not use such documents, data, and other information received from the Buyer for any purpose other than the performance of the Contract.

6.16.3 The above provisions shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the sale or any part thereof.

6.16.4 The provisions of Terms & Conditions of Contract Clause 6.16 shall survive completion or termination, for whatever reason, of the Contract.

6.17 SPECIFICATIONS AND STANDARDS

6.17.1 Content of the graphite or graphite products are certified to the specifications provided. The Product is, unless otherwise stated as no warranty, delivered on guarantee. in pursuant to clause 3.3 of Section- 3, PS & RS.

6.17.2 The products offered for sale in terms of no warranty will be delivered "AS IS" in the existing condition. However, the moisture in such a product will be analyzed at the delivery of products and the moisture above 0.2% if any will be compensated by the same product in the weight equivalent to excessive moisture.

6.17.3 In such a compensation (mentioned above in sub clause 6.17.2), the total royalty & taxes incurred for Export License on additional tonnage should be borne by the buyer and the stock should be removed within the time period originally provided. Additional period will only be allowed by the Seller on reasonable circumstance.

6.18 PACKING AND DOCUMENTS

6.18.1 The Seller delivers the product, as stated in the Section- 3 in bulk or bagged with the required documents. The Seller, despite to the mode of package specified, could accept the specific packaging of products if the Buyer will bear the entire cost of packaging.

6.19 INSURENCE

6.19.1 Unless otherwise specified in the Section -3 regarding the obligations vested with the insurance, the Seller will be account for the product until such a period specified for removal or delivery of the products to the buyer or their Transport Contractor on Exw from Kahatagaha Mine. Thereafter, responsibility upon any loss or damage incidental thereto in acquisition, transportation, storage and freight is vested with the buyer.

6.20 TRANSPORTATION

6.20.1 Unless otherwise specified in the Section -3, PS & RS the transport will be on account of the Seller, the responsibility in transportation of the Goods and freight shall be on account of the Buyer.

6.21 INSPECTIONS AND TESTS

6.21.1 The Seller shall at its own expenses and at no cost to the Buyer carries out all tests and/or inspections of the Goods at the Seller's premises before the shipment of product. If the Buyer needs to analyze the product on their own expenses, the Seller will grant permission for their own analysis.

6.21.2 The buyer or its designated representative shall be entitled to attend for the test and/or inspections. If such instant buyer shall bear all of its all costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

6.21.3 The Seller shall provide the buyer with a report of the detailed results of any test and/or inspection carried out on request of bidder.

6.21.4 The buyer has no permission to reject any products after shifted the products out from Sri Lanka. Where there is any default of the product, it should be brought by the buyer at the seller's premises. The seller will do compensation either by the same product or refunding the value of loss after analyzed of the default brought by the buyer proven to its correct.

6.22 FORCE MAJEURE

6.22.1 The Seller will not be liable for forfeiture of buyer's Bid Security or stock if and to the extent that its delay and failure to perform its obligations under the Contract is at the result of an event of Force Majeure.

6.22.2 For purposes of this Clause, "Force Majeure" means an event or situation beyond the control of the Seller/Buyer that is not foreseeable, unavoidable, and its origin is not due to negligence or lack of care on the part of the Seller/Buyer. Such events may include, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

6.23 EXTENSION OF TIME & DEMURRAGES

6.23.1 There is no any extension for removal of stock or settlement of payment where there is no acceptable reasons or case of Force Majeure.

6.23.2 The demurrage will be charged at Rs125 per MT or an amount equivalent in USD per week. for the stocks not removed within the stipulated time frame pursuant to clause 4.9.7 of Section - 4, ITB & BD. The Seller will not be account of contamination or loss to the stock not removed within the period originally stipulated for removal. The maximum period for removal of the stock will be 150 days for graphite from the award of tender together with the period under demurrage. The Seller reserves the right to forfeit the stocks not removed by the buyer after above periods allowed in maximum.

6.24 THE EXPORT CLEARANCE LEVY

6.24.1 The Export Customs clearance and any other charges incurred with the Ports and Customs are on account the buyer.

6.24.2 The Export CESS imposed by the Government for export of Mineral products shall also be borne by the Buyer

6.25 TERMINATION

6.25.1 Termination for Default

The Seller, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Successful Buyer, may terminate the Contract in whole or in part:

- i) If the Successful Buyer fails to remove and clear any or all of the stock within the period specified in the Contract, or within any extension thereof granted by the Seller.
- ii) If the Successful Buyer fails to perform any obligation under the Contract; or breach the terms and conditions stipulated in the tender document.
- iii) If the Successful Buyer, in the judgment of the Seller has engaged in fraud and corruption, as defined in Clause 3 of Section - 6, T&CC and clause 4.2 of Section 4, ITB & BD, in completing for or executing the Contract.

6.25.2 The Seller may take actions to deprive the opportunity for participating for the tender to whom the shipping documents and permits provided by Seller will not be returned/ submitted after completion of the exports pursuant to the clause 4.9.6 of Section 4, ITB & BD and the bidders who are breaching terms and conditions of Contract.

6.25.3 The bid being the highest will not be the price of accepted for award of tender. The bid which has been determined up to the stage of the evaluation, substantially responsive and highest-evaluated bid. And finally approved by the Ministry Tender Committee to its acceptable will be the bid price for award of tender. The Ministry Tender Committee reserves the right to award of tender on sale of any product or cancel.

6.26 ASSIGNMENT

6.26.1 Neither the Seller nor the Buyer shall assign, in whole or in part, their obligations under this Contract, except with prior written consent of the other party.

6.26.2 The Successful Bidder has no permission to change or commit of ownership of the Tender to the other party.

SECTION 7 - BIDDING FORMS

7.1 (a) Prescribed Bid Submission Form (PBSF)

(b) Prescribed Bid Form (PBF)

(c) Specimen Bid Guarantee Form (SBGF)

BID SUBMISSION FORM

[The Bidder shall fill in this Form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date..... [insert date (as day, month and year) of Bid Submission]

Ref-Tender No..... [insert number of bidding process]

To: [insert complete name of Seller]

.....
.....

We, the undersigned, declare that:

- a) We have examined and have no reservations to the Bidding Documents, including Addenda No. :[insert the number and issuing date of each Addenda];
- b) We offer the bid to purchase in conformity with the Bidding Documents and in accordance with the removal of goods within time frame specified in the Section -3 PS & RS on sale of.....[insert a brief description of the Goods];
- c) The total value of our Bid offered without applicable Royalty is USD..... [insert the total value in figure (qty x rate)]
..... [insert in words]; at a price of USD.....per MT for 90-92% of carbon grade graphite powder, USDper MT for 90-92% of carbon grade graphite chips, USDper MT for 92-95% carbon grade graphite powder and USDper MT for 92-95% carbon grade graphite chips on Exw Kahatagaha mine, Dodangaslanda, Maduragoda, Srilanka.[insert the rate of bid prices in words only];
- d) Our bid shall be valid for a period of 45 days pursuant to Clause 4.5.4 of Section -4, ITB & BD from the Date fixed for the bid submission deadline and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- e) If our bid is accepted, we commit to purchase and remove on time the product(s) paying the full Tendered value given in the Pro forma Invoice raised by the Seller in accordance with clause 4.8.9 of Section - 4, ITB & BD and clause 6.13.1 of Section -6, T & CC.
- f) We have no conflict of interest in accordance with clause 4.4.1 of Section -4, ITB & BD.
- g) Our firm, for any part of the contract, has not been declared blacklisted by any statutory bodied.
- h) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed.
- i) We understand that you are not bound to accept the highest evaluated bid or any other bids that you may receive.:..... [insert signature of person whose name and capacity are shown] [insert the legal capacity] [insert full name of person signing the Bid Submission Form] Duly authorized to sign the bid for and on behalf of [insert complete name of Bidder] Dated onday of, [insert date of signing]



DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

MINISTRY OF INDUSTRIES

KAHATAGAHA GRAPHITE LANKA LIMITED



Bid Form

Tender No.: KGLL/MKT/TDR/2021/01

DETAILS OF THE BIDDER

Name of Company:

Address :.....
.....
.....

Tele Phone General..... Fax..... Mobile
T.P.....

Email..... Website.....

WhatsApp /chat of the Head of
Company.....

| | PRODUCT | QUANTITY (MT) | BID SECURITY (LKR or USD (for 20 MTs) | TERM OF PAYMENT | TERM OF DELIVERY | BID PRICE PER METRIC TONNE | |
|----|---|--------------------|---|---|---------------------|----------------------------------|-----|
| | | | | | | USD | Cts |
| 01 | 92-95 C% Graphite Powder (HS 2041010) | | LKR 376,719.00 Or USD2035 | 100% In Advance Or by Four Installments With Performance Security | EX- WORK KGLL | | |
| 02 | 92-95 C% Graphite Chip (HS 25041090) | | LKR 335,992.00 Or USD1815 | | | | |
| 03 | 90-92 C% Graphite Powder (HS 25041090) | | LKR 282,308.00 Or USD1525 | | | | |
| 04 | 90-92 C% Graphite Chip (HS 25041090) | | LKR 260,093.00 Or USD1405 | | | | |

PASTE HERE AS APPROPRIATE THE PHOTOCOPY OF PAYMENT ADVICE ISSUED BY THE BANK UPON PAYMENT IN CASH OR ATTACH THE ORIGINAL OF THE BANK GUARANTEE FURNISHES OR THE BID SECURITY.

[In addition to the above, the copies of Valid Business Registration & document the specimen signatures of the board of company therein, Audited Financial Statement (last year), and Evidence for the competence of the bidder in mineral industry should also be attached]

Authorized Signatory

1. Name.....

2. Name.....

Designation.....

Designation.....

Address.....

Address

.....

.....

Specimen Signature

Specimen Signature

NIC / Passport No.

NIC / Passport No.....

(attach a copy)

(attach a copy)

Contact Details

Contact Details.....

.....

.....

Authorization of the Owner / Shareholder of Company / /Leading Party of Consortium, Joint Venture or Association

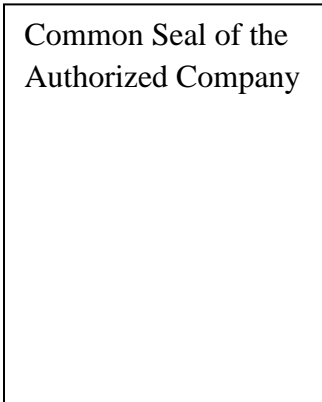
I /we hereby agree with the terms and conditions stipulated in the tender document and abide to the terms and condition and complying with the instructions to bidder and duly authorized to the above nominees to sign the correspondence in respect of this tender on behalf of our/ my Company.

Name in Full

Capacity / Designation

NIC/ Passport No. *(please attach a copy)*

Signature..... Date



SPECIMEN BID GUARANTEE

[This Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]

-----[Insert issuing agency's name and address / branch or office]

-----[Insert name & address of Beneficiary]

Date: ----- [insert (by issuing agency) date]

BID GUARANTEE No.: ----- [insert (by issuing agency) number]

We have been informed that -----
[insert (by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners]
(hereinafter called "the Bidder") has submitted to you its bid dated ----- [insert date (by
issuing agency)] (hereinafter called "the Bid") for the purchase of -----
----- [insert name of product (s)] under Invitation for Bids No. -----
---[insert IFB number] ("the IFB").

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid
Guarantee.

At the request of the Bidder, we -----
----- [insert name of issuing agency] hereby irrevocably undertake to pay you any sum or
sums not exceeding in total an amount of ----- [insert amount in figures] -----
-----[insert amount in words] upon receipt by us of your first demand in writing
accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid
conditions, because the Bidder:

- a) Has withdrawn its Bid during the period of bid validity specified; or
- b) Does not accept the correction of errors in accordance with Bid Evaluation Criteria or
- c) Having been notified of the acceptance of its Bid by the Purchaser/ Buyer during the period of bid
validity,
 - (i) Fails or refuses to execute the Contract Form, if required, or
 - (ii) Fails or refuses to settle the tendered value within the stipulated period, in accordance with
the 4.8.9 of ITB&BD.

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the
Contract signed by the Bidder and of settled the tendered value in full within the time frame by the Bidder;
or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your
notification to the Bidder that the Bidder was unsuccessful, otherwise it will remain in force up to -----
----- (insert date)

Consequently, any demand for payment under this Guarantee must be received by us at the office on or
before that date.....

[Signature(s) of authorized

CONTRACT AGREEMENT

This contract Agreement is made the day of 2021
by and between,

- (1)..... a company registered under the Company Act The Democratic Socialist Republic of Sri Lanka and having its principal place of business at Sri Lanka (hereinafter called “the Seller”), and
- (2)..... bearing registration No. and having its principal place of Business at (Hereinafter called “the Purchaser”)

WHEREAS modus operandi in the contract agreement is that the seller invites bids for sale of 800 MT. of graphite under tender no KGLL/MKT/TDR/2021/01 (here after called and referred to as “the product” and the successful bidder (hereafter called and referred to as “purchaser”) upon a price inclusive of all relevant taxes (herein after called and referred to as “contract value” adhering to the tentative schedule embodied in the Bidding Document and both seller and Purchaser agree that this contract agreement to term as a forward sales agreement of which shall last for a period of from the date of signing.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Terms & Conditions of Contract referred to as follows:
 - a) “Contract” means the Contract Agreement entered into between the Seller and the Buyer, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
 - b) “Contract Documents” means the documents listed in the Contract Agreement, including any amendment thereto.
 - c) “Contract Price” means the price payable to the Seller as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
 - d) “Day” means calendar day.
 - e) “Completion” means the fulfillment of the supply / shift of Goods to the destination specified and completion of the Related Services by the Seller and buyer in accordance with the terms and conditions set forth in the Contract.
 - f) “T&CC” means the Terms & Conditions of Contract.
 - g) “Goods” means all of the commodities and/or other materials that the Seller is required to supply to the buyer under the Contract and buyer is to remove on time.

- h) “Successful Bidder” means the entity selected by the seller for Selling Goods and accepted the award and Related Services, as specified in the Products for Sale and Related Services and further defined in the T&CC.
- i) “Related Services” means the services incidental to the supply of the goods, such as delivery of goods, removal of goods and documentary works on transport, exports and imports and other such obligations of the Seller and Buyer under the Contract.
- j) “Subcontractor” means any natural person, private or government entity, or combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is Sub contracted by the Seller or Buyer.
- k) “Seller” means the Kahatagaha graphite Lannka Limited,
- l) Buyer / Purchaser means the bidder who signed the contract upon award of tender or part of tender and settle the contract value fully.
- m) “Kahatagaha Mine,” where applicable, means the place named in the tender document as the delivery point of goods on Exw-Kahatagaha mine basis and the place of stored the mineral products for delivery.
- n) The “Global Market” means the price of graphite product published by any reputed source of reviewing the graphite industry and is the source acceptable to Kahatagaha graphite Lanka Limited Ltd.
- o) “Local Buyer” means the party won the tender on submission of bid under business registration of Sri Lanka and “Foreign Buyer” is the party who won the tender on submission of bid under business registration of abroad.

2. Seller and Successful bidder agree that the following documents listed below is which is an integral part of the tender procedures in respect of this transaction and pledge to adhere and to respect to the terms, conditions, rulings and requirements of the documents that are integrated to this sale and purchase agreement and undertake not to violate any of these conditions.

A). Tender Notice

B). Bidding Document consist with the following supporting documents

- a) Specifications of the product and warranty provided by the Seller
- b) Instructions to Bidder & Bidding Data
- c) Bid Evaluation criteria
- d) Terms & Conditions of Contract
- e) Bid guarantee
- f) Bid Submission Form
- g) Bid Form

C) Notification of award of the Seller and Acceptance of Buyer for the same

D) Pro forma Invoice

3. Buyer may covenant to pay the Seller in consideration of the provision of award of the tender on sale of product and due services and the remedying of defects therein, the contract value or such other sum as may become payable under the provisions of the contract at the time and in a manner prescribed by the contract
4. Seller undertakes to delivery & supply ofMT of within a stipulated period mentioned in the clause 4.9.7 & 4.9.8 of Section- 4 ITB & BD and to ensure the loading without delay and to consider for extension where there is any delay occurred at the end of Seller
5. The Buyer undertakes to remove the stock within the 75days of period mentioned in clause 4.9.7 of Section-4 ITB&BD and pursuant to clause 6.23 of Section -6 T&CC unless otherwise extension for removal of the product was not provided by the Seller.
6. Seller will issue commercial invoice, the certificate of origin, packing list with the weighing certificate for the product issued and cleared for export, quality certificate for the product of guaranteed (Specifications), the copy of export license and regulatory permits as required to the buyer other than quarantine Certificate for each consignment of the product on receipt of the bill of lading to the Seller.
7. Pre- shipment survey and pre- analysis of the product if required could be carried out by the buyer before the removal of the stock at the buyer's expenses.
8. At any defaults of the buyer by non- executing of the obligations & responsibilities vested with and breaching of Terms & Conditions of the contract, the Seller reserves the right to terminate the tender and finally, cancel the tender awarded recovering any payment payable by the buyer to the Seller in the bid security/ performance security unless remedial actions is taken at the buyer's end.
9. The Contract shall be governed by and interpreted in accordance with the laws of the Democratic Socialist Republic of Sri Lanka. Any disagreements or disputes arising between Seller & Buyer in connection with the contract are resolved amicably by direct informal negotiation. The Arbitration may be commenced prior to or before delivery of the product under the Contract. Arbitration proceedings shall be conducted in accordance with the Arbitration Act No: 11 of 1995. The place of arbitration will be in Colombo, Sri Lanka.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Democratic Socialist Republic of Sri Lanka on the day, month and year indicated above.

For and on behalf of the Seller

1.
.....

2. (Signature)
.....(Name in Full)

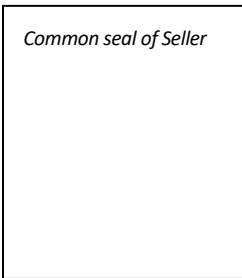
In the capacity of Chairman

In the capacity of Director

in the presence of Mr. General Manager.....

NIC /Passport No..... issued on

Signature



for and on behalf of the Buyer

1.
.....

2..... (Signature)
..... (Name in Full)

Authorized Signatory

Authorized Signatory

In the capacity of

.....

In the presence of Mr./ Mrs.

....., of (capacity) of

NIC/ Passport No..... Issued on (date)

Signature.....

