

Subject : Hull Fabrication Sub-contract (Fabrication, Erection and Equipment Installation)

Six Survey Vessels for Indian Navy

Indian Navy had signed a contract to make Six Survey Vessels with AAGL on December 28, 2006. In the tender document it was clearly mentioned that survey vessels are being built as per the design given by the shipyard. In that regard, M/s Sea Transport Solutions will provide the complete Basic design and production drawings through AAGL will cut the steel/aluminium and provide to the hull subcontractor for the fabrication work.

Main Particulars of Survey Vessels

- Length : Approximately 50 meters
- Width : Approximately 16 meters
- Type: Catamaran Hull
- Steel : DMR 249A Aluminium : Marine Grade
- Location of construction : Bhavnagar
- Approximate weight of
Steel : 150 Tonnes per vessel Aluminium : 40 Tonnes per vessel

To fix up the technical criteria as per the prevailing market practice we are mentioned here with some of the qualification criteria;

1. Experience (Including both Naval Vessels and/or similar kind of vessels)
 - Sub-contractor shall have preferably work experience for the new fabrication of naval vessels (Not the repair) or shall have work-experience of minimum 5 years in the new fabrication and erection job at any of the shipyard/s.
 - (For Aluminium) Sub-contractor shall have work experience in aluminium construction works or equivalent
2. Technical and Supervising Manpower
 - DMR 249 A Qualified welders – 90
 - Welders for Aluminium – 25
 - Supervisors – 16
 - Planning/Production Engineers – 10
 - QA Engineer – 3-5
3. Mobilization of manpower – 10-15 days after issuance of LOI

4. List of machineries / equipment available with vendor at the time of tendering
5. Financial Capability
 - Bank Solvency certificate of minimum 50% of tender value
 - Income tax clearance of copy of last three income tax returns

GENERAL TERMS AND CONDITIONS

1. Number of vessels
 - Number of vessels awarded to subcontractor will solely depends on the TEC and PNC. The firm quoting L1 rate will be awarded three vessels (1st, 4th,6th), L2 two vessels(2nd, 5th) and L3 one vessel (3rd) respectively at L1 certified rates only.
2. Payment Terms

For Steel Subcontractor

1. 10% mobilization advance against irrevocable bank guarantee.
Stage:
 - I. 10% on erection of a hull include equivalent to minimum 50 t of net steel.
 - II. 15% on erection of hull modules equivalent to minimum 100 t of hull steel.
 - III. 15% on erection of hull modules equivalent to minimum complete net steel.
 - IV. 15% on hull completion including all steel outfits, loose tanks integral and non integral machinery foundations.
 - V. 15% on dry survey, tank testing & appendages fitment
 - VI. 20% on completion of all work under this subcontract (after submitting 15% BG as performance guarantee)

For Aluminium Subcontractor

1. 10% mobilization advance against irrevocable bank guarantee.

Stage:

- I. 5% on Prefabrication work completed upto 10 tonne.
 - II. 15% on Prefabrication work complete upto 25 tonne.
 - III. 15% on Assly. Work completed for 25 T with major welding.
 - IV. 15% on Assly. Work completed for 40 T with major welding.
 - V. 15% on Erection work done for 40 T with hull integrity.
 - VI. 15% on Erection work done for complete super structure of all tier with welding as per approval.
 - VI. 10% on completion of all attachments outfits as well as dry survey of complete super structure.
3. Penalty
- The penalty of 0.5% per seven days of total contract value; If sub contractor fails to show Photo ID of DMR qualified welders at any time then penalty of INR 1000 per day per ID card will be imposed on them.
4. QAP
- As agreed with IHQ
5. Gurantee
- 12 months from the date of delivery of the vessel/s
6. Equipment / Machineries
- AAGL may provide machineries which is available with us but it will be solely depends on AAGL's terms and conditions.

Based on our queries anyone who is interested in the above mentioned sub-contract shall deliver their comments before **January 4, 2008** by email (aagl@alcockshipyard.com and kunjan@alcockshipyard.com).

On issuance of tender documents, no terms and conditions will be changed and no deviation will be granted, any deviation in tender document may lead to disqualification of vendor.

However, the tender will not be limited to the parties who are participating in pre-tender discussion. It will be open tender under which anyone can participate satisfying our qualifying criteria.

Executive Director

Alcock Ashdown (Gujarat) Limited, Bhavnagar