

REQUEST FOR PROPOSALS 2015/2 (RFP 15/2)

Joint Movement and Transportation Organization – The ARK Project 2010-2021

INSTRUCTIONS AND INFORMATION TO BIDDERS

INTRODUCTION

In accordance with the Treaty on the Functioning of the European Union (Traktaten om Den Europæiske Unions Funktionsmåde), Joint Movement and Transportation Organisation (JMTO) hereby informs potential Bidders about the requirement for charter of two RoRo vessels to the ARK Project.

The ARK Project was founded in pursuant of the establishment of NATO Response Force. Denmark decided in 2003/2004 to establish a strategic sealift capacity consisting of two RORO vessels, and a concept was developed.

The ARK concept was primarily based upon supporting NATO, national Danish and other Allies' requirements for military sealift. The concept is based upon chartering of civilian RORO vessels operated primarily to fulfill various military notices and requirements. During periods without military employment the vessels should be attempted chartered to the civilian market.

In 2006 Germany decided to join the ARK project and the ARK capacity has since been increased from two to five RORO vessels with a total capacity of approx. 15.000 lane meters, under the same concept.

The present bilateral agreement between Denmark and Germany is governed under Decision 137 approved by the Finance Committee of the Danish Parliament in 2010.

The present agreement between the two nations will continue until end of 2021.

The current five ARK vessels are under time charter parties with individual expiry dates in 2015, 2016 and 2021. However, this RFP will only request offers for two vessels to replace or renew the current charter party of two of the present ARK vessels.

This RFP will only cover charter as from 2016 until 2019/2020, as those RORO vessels will be chartered for a period of four years as outlined below and in section 2.

The charter parties will be made on the basis of BIMCO Uniform Time Charter Party (as revised 2001) code name: "BALTIME 1939" with amendments and Rider Clauses made by JMTO.

Vessel Positions

Vessel number 1:

RORO 2600- 3000 LM.

Built 1999 or later.

Charter period 4 years.

Delivery 3rd quarter 2016.

Full lease back.

Readiness (call option): 15 days notice for operational deployments, exercises and humanitarian operations.

Vessel number 2:

RORO 2600-3000 LM.

Built 1999 or later.

Charter period 4 years.

Delivery 1st quarter 2017.

Full lease back.

Readiness (call option): 20 days notice for operational deployments, exercises and humanitarian operations.

The lease back contracts will include call options for redelivery to JMTO under the head charter with 15 and 20 days notice respectively. For further information regarding the time charter see annex D, E and F, and for the lease back concept see Annex C.

For clarification the lease back is a back-to-back time charter party whereby JMTO charters the vessel to the Bidder for commercial employment at a lower charter rate and under the condition that JMTO can demand (re)delivery of the vessel (the call option) for use in the ARK project with the notice stated in the charter party (lease back contract) for the said vessel.

EVALUATION PROCESS

The Bids submitted will undergo an evaluation process containing the following phases:

- Phase 1: As a minimum requirement Bidders (owners) must document that they:
- (a) Are registered either as owner or bare boat charterer of the proposed vessel(s).
 - (b) Have operational control of at least 4 RO/RO vessels (including the vessel(s) forming part of this tender). If the Bid is submitted by a joint group of companies (e.g. a consortium) at least one member of the consortium must fulfill this requirement.

(c) Document a positive equity capital of the latest financial year available. If the Bid is submitted by a joint group of companies (e.g. a consortium) each member of the consortium must fulfill this requirement.

Additionally the Owner accepts:

(d) Throughout the term of the contract bidders must adhere to the requirements stipulated in ANNEX G: Corporate Social Responsibility (CSR).

Phase 2: In this phase all the data on the proposed vessel(s) are compared with the mandatory criteria (see Annex A under list of criteria, (a) Mandatory Criteria (MC)) and special selected vessel data (b). Bids with vessel(s) fulfilling the mandatory requirement will participate in the further evaluation process. Bids not fulfilling those mandatory criteria will be excluded from this Bidding process and the Bidder notified.

Phase 3: Bidders with vessel(s) passing successfully phase 2 will in this phase be evaluated in accordance with the allocation criteria listed below in order to find the economically most favorable Bid. These allocation criteria's are divided into four groups as follows:

1) An evaluation of special selected vessel data listed in order of priority in Annex A, b1 **(weighted 30%)**.

2) An evaluation of special selected data listed in order of priority in Annex A, b2 **(weighted 20%)**.

3) An evaluation of the rate offered, based on the rate submission comprising as required in Annex A **(weighted 40%)**.

- the charter hire pr. day,
- the lease back rate pr. day and
- the calculated annual charter cost

It will be evaluated positive that the Charter hire pr day is as low as possible and that the Lease back rate pr day is as high as possible.

4) An evaluation of the Bidders proposed operational support and cooperation based on the Bidders description of

this in Appendix C, with regard to the requirements stated in Annex B (**weighted 10%**).

BID DOCUMENTS

The Bid documents consist of this RFP with annexes and appendixes as follows:

- Annex A: Statement of work comprising mandatory requirements and requirements forming part of the allocation criteria in phase 3 item 1, 2, and 3 above.
- Annex B: Operational requirements, item 4 in phase 3 above.
- Annex C: ARK Description of the Lease Back Concept.
- Annex D: BIMCO Uniform Time Charter (as revised 2001) code name: "BALTIME 1939" (Master CP for all vessel positions and will be adjusted accordingly to fit each individual vessel position).
- Annex E: Rider Clauses made by JMTO to the draft Head Charter Party which consists of the Baltic and International Maritime Council (BIMCO) Uniform Time Charter Party (as revised 2001) code name: "BALTIME 1939" with amendments.
- Annex F: The Rider Clauses made by JMTO to the draft lease back charter which consists of a back-to-back charter on the same terms and conditions as the head charter (Annex D), but under a lower charter hire.
- Annex G: Corporate Social Responsibility (CSR) Requirements.

The enclosed forms to be used for completing and submitting the Bids are covered by the following appendixes:

- Appendix A: Solemn declaration regarding the payment of social security contributions and taxes.
- Appendix B: General Questionnaire, Contact details on Bidders etc.

- Appendix C: Bidders description of the proposed operational support and cooperation regarding the ARK project as detailed in Annex B. The Bidders are requested to fill out maximum 4 pages in total.

It is expected that the intended contract award shall be published no later than 14th of October 2015.

CONTRACT PERIODS

The contract periods for the two vessels are four years each.

The requirement specification on each vessel position can be found in Annex A – statement of work.

APPLICABLE LAW AND VENUE

The Charter parties/lease back contracts shall be interpreted and governed, and the relations between the Parties determined, by Danish law and any dispute arising out of or in connection with The Charter parties/lease back contracts, including any disputes regarding the existence, validity or termination thereof, shall be settled by arbitration arranged by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced.

COMMUNICATIONS – SOLICITATION PERIOD

To ensure the integrity of the competitive Bid process, questions and other communication regarding this procurement, from the date of issue up to and including the closing date, are to be directed only to the individual contracting officer stated below. Questions and other communication are not to be directed to any other government official(s).

In order to facilitate the internal handling of questions sent by emails to the e-mail address [MAILTO: JMTO-ARK-CH@mil.dk](mailto:JMTO-ARK-CH@mil.dk). Bidders are requested only to insert the words “**ARK-Project 2015/2- Company Confidential**” in the subject field of their emails.

Questions must be delivered in writing in English. Questions passed via Phone will not be answered.

Questions and the corresponding answers (Q&A) will continuously be made public on the following web address:

<http://www2.forsvaret.dk/viden-om/organisation/flyvevabnet/jmto/ark/tender/Pages/default.aspx>

The answer will be provided in a form that will not disclose the identity of the questioning party.

Questions received no later than 24th August 2015 at 12.00 hours will be answered no later than 6 days before the deadline for submitting Bids expires.

Questions received after this date will also be answered no later than 6 days before the deadline for submitting Bids expires, unless the nature of the question makes this disproportionately burdensome.

Questions received later than 6 days before the deadline for submitting Bids expires will not be answered.

SUBMISSION OF BIDS

The Bid must only comprise one or two RORO vessels.

Bid submissions **must** include the duly completed documentation detailed in appendices as follows:

- a) Solemn declaration or a report from the Danish Commerce and Companies Agency or an equal report from the Bidders country regarding payment of social security contributions and taxes (Appendix A).
- b) JMTO General Questionnaire, Contact details on Bidders etc. (Appendix B).
- c) The Bidders description of the proposed operational support and cooperation regarding the ARK project (Appendix C). The Bidders are requested to fill out maximum 4 pages.

Bids shall be forwarded to the following address:

Joint Movement and Transportation Organization
ARK Project
Build. 419
Herningvej 30,
DK - 7470 Karup J.
Not later than 2nd September 2015 at 1400 hours local time.

Bid submissions received after this time/date will not be considered, and no exceptions to the deadline will be made. Failure to unequivocally respond to all mandatory criteria will result in the Bid being assessed as non-compliant.

Bidders are requested to submit the Bid in six copies (five printed copies and one electronic on a CD/DVD-ROM, USB stick or an equivalent medium in a version readable in Word or pdf) in a sealed envelope marked: “ARK RFP 15/2 – Company confidential - att. MD Bo T. Nielsen.”

Due to the Danish Act on Open Files (in Danish: "Offentlighedsloven") each Bidder is requested to mark as "Company Confidential" information in each Bid which they do not want publicized or made known to the other competitors etc. JMTO is nevertheless obliged and entitled to provide access to information to the extent required by legislation.

RATES/PRICES

All prices/charter rates proposed shall be submitted in EURO (excl. VAT) and must include the performance of all mandatory requirements and the performance/services offered including any broker and/or address commissions etc.

All prices/charter rates shall be subject to an annual adjustment to compensate for general cost increases of Operational Expenses (OPEX) during the charter period. The increase in charter hire shall be calculated based on 50% of the inflation rate in excess of 2.5% per annum. The first adjustment might be made two years after the ships have been delivered to JMTO.

The following index will be used:

EU harmonized Indices of Consumer Price (HICP) within the EURO- AREA

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-QA-09-038/EN/KS-QA-09-038-EN.PDF

Example: Time Charter Hire x 50% x (X-2.5%) = Rate Adjustment
(X represents the inflation rate)

In case of the inflation rate being between 0% and 2.5% per annum, no adjustments will be made.

In case of deflation the contract holders shall negotiate a downward adjustment of the rate, under amicable terms.

VALIDITY OF BID

Bids must be valid and kept open for 3 months after the expiry of the deadline for submitting Bids.

SUITABILITY, AWARD CRITERIA AND EVALUATION

The Bid submissions will be evaluated on the basis of the information provided cf. Annex A, and Appendixes completed by the Bidder. It is imperative that the Bidders address all criteria in sufficient depth to allow for a complete assessment of capacity and capabilities.

An evaluation team will be formed with representatives appointed by JMTO. If needed the services of independent consultants selected by the evaluation team may be called upon to assist in the process.

JMTO's RIGHT

JMTO reserves the right to:

- a. Request clarification or supporting data in relation to any element of the Bid.
- b. Cancel the tender process if Danish political approval cannot be achieved.
- c. Cancel the tender process if Germany departs the ARK project for the period beyond 2015.
- d. Cancel the tender process if the rate(s) in the offered Bid(s) exceeds the available funds, or if the lease back rate offered is unacceptable low.
- e. Cancel the tender process if only one suitable Bid is received.
- f. JMTO reserves the right to - with due respect of the principles of equality and transparency - to invite the Bidders to a negotiation round in order to optimise the Bids even further. Subsequently, the Bidders should (if applicable) submit a new or a partly renewed Bid within a specified deadline. If a Bidder chooses *not* to submit a new Bid, the Bidders (original) Bid stands as valid.

DECLARATIONS

The Bidder shall submit a solemn declaration stating whether the Bidder has fulfilled his obligations relating to the payment of social security contributions and to the payment of direct and indirect taxes in accordance with the legal provisions in the country in which the Bidder is established and in Denmark, cf. Appendix A.

As an alternative to a solemn declaration, a report from the Danish Commerce and Companies Agency (in Danish: "Service attest") may be submitted. Foreign Bidders submitting an equal report from their country shall also submit a solemn declaration regarding obligations in Denmark.

Forms to be used for the mentioned declarations are included in the Bid documents, cf. Appendix A. The forms must be completed and signed by the Bidder.

If the Bid is submitted by a joint group of suppliers (e.g. a consortium) each member of the consortium must submit the completed and signed declarations.

CONTRACT AWARD

The economically most favorable Bid will be recommended to the Danish members of the ARK Board for award of the contract.

It is expected that the intended contract award shall be published no later than 14. October 2015, upon which contract should be signed during October 2015.

After award, a JMTO-approved and amended BIMCO Uniform Time Charter Party (as revised 2001) - as described in section "Bid Documents" above - will be forwarded to the successful Bidder. The Bidder shall return signed copies of the Time Charter Parties to the Contracting Officer identified in the RFP.

The Time Charter Party including, and without limitation, all appendices, annexes and attachments and this *RFP* document will constitute the Agreement between JMTO and the successful Bidder.