

To :

Fax :

Sub. : Invitation for commodity tender (Wheat in Bulk).

GSFMO is pleased of inviting you to submit your rock-bottom prices (C&F) free out Jeddah / Dammam sea port (In USD Base) for the supply of Wheat in bulk, as per the attached technical sheets of (2) pages that hereafter are called appendix (1) and according to the following terms / conditions:-

A) Specifications:

- As per the enclosed annex, any further details to comply with the official authorities of respective country of origin.

B) Submitting date & validity:

- Offers to reach us not later than 19/9/2008 (12am) Saudi time base, and should be valid for five working days of that date. Offers to be advised via fax no. (+966 -01-2102693).

C) Origin:

-To be clearly stated in the offer. Furthermore, the producer / exporter particulars to be also declared.

D) Shipment:

- To be effected as follows (subject to +/- 5%):-

Shipping schedule	Quantity in bulk	
	Jeddah Sea Port	Dammam Sea Port
1-15, Oct. 2008 (Protein 12%)	60.000	-----
1-15, Nov. 2008 (Protein 14%)	60.000	50.000
20 Nov. - 5 Dec., 2008 (Protein 12%)	65.000	-----
15-30, Dec. 2008 (Protein 14%)	65.000	-----
Total Quantity	250.000	50.000

E) Payment:

- Irr. non-confirmed L/C (in 100% of the P.O. total amount), and payable at 95% against presentation of the shipping documents to the corresponding bank, while the remaining balance (5%) to be released after receiving and accepting the cargo at GSFMO destination.

- **Note:** Maximum allowed validity for the L/C, is one month later the latest date of shipment.

F) Performance bond:

- Upon placing an order, the supplier will be obligated (within 10 days of the P.O. date) to deposit a bank guarantee valued at 5% of the order total amount, and valid to cover the delivery period plus one more month. This bank guarantee to be drawn with any first class Saudi bank accepted by SAMA (Saudi Arabian Monetary Agency), favoring to Grain Silos & Flour Mills Organization. (as per the attached format).

G) Delay penalty:

- In case of delay in shipping the cargo, the supplier will be subject to delay penalty of (1) pct. for each delay week, providing that total deduction of delay penalty to not exceed (6) pct. (maximum) of the order total amount.

H) Labeling:

- All shipping documents to be labeled in "GRAIN SILOS & FLOUR MILLS ORGANIZATION", L/C Number, Order Number, Port of Destination, Name and weight of Cargo, Country of Origin, and producer / exporter Name.

I) Demurrage and Dispatch:

- Daily rate of discharging the cargo at the destination port is 3000 MT/WWD, week ends and official holidays are excluded. Dispatch half of demurrage and to be settled directly between the supplier and GSFMO, as per the fair charter party limits.

J) Marine letter of guarantee:

- The supplier should instruct their forwarding agent in Saudi Arabia, to accept a bank guarantee for clearing the cargo. Any fines/charges impose by the port authorities, due to non-submission of such instructions letter on time, would be on supplier's account. (Copy of such letter, to be submitted).

K) Arbitration:

- Any dispute may arise as a result of this transaction, should be referred to the international trade terms applied for such scope of business, but in all cases to be held in Riyadh-KSA.

L) Shipping and insurance:

- GSFMO undertakes to insure the shipment, Therefore, the supplier is obligated (upon placing an order) to send complete shipping details for insurance purpose (using the attached specimen), to GSFMO, HQ. Riyadh (fax no.: +966-01-2104444), within (7) days from B/L date and/or (3)

days prior to vessel sailing, whichever comes first. Otherwise, the supplier will be responsible for all liabilities that may incur due to the delay in providing such shipping data.

- Additional overage premium under the institute classification clause, will be calculated on supplier's account as follows:

i) No additional overage contribution, for vessels not over 20 years of age.

ii) For vessels over 20 years but not over 25 years of age, 50% of overage premium will be charged.

iii) Vessels over 25 years of age, will be charged in full.

- The shipment should be effected through 1st class bulk carrier vessel capable for pneumatic discharge, and complies with the Saudi Arabian Port Authority Regulations. Along, a copy of valid cargo gear and tackle certificate from one of the following approved societies, to be submitted:

1. American Bureau of shipment.
2. Bureau veritas.
3. Det norsk veritas.
4. Germanischer Lloyds.
5. Lloyds register of shipping.
6. Nippin kaiji kyoki.
7. Polski register statkow.

- Transshipment is prohibited, and GSFMO has the absolute right to divert shipments between distention ports, by means of written notice to the supplier three days prior to estimated arrival date. The ship shouldn't call at any port before GSFMO discharging port, and all communications with the destination port authorities of respective vessel/cargo, should be directed strictly through the liner's local agent. On the other hand, no cargo of the same or deferent nature, is allowed to be stowed on top of bulk wheat or together in one hatch.

- The supplier is obligated to send a sailing notice to GSFMO (72) hours prior to vessel arrival, indicating the following:-

- 1- Vessel's name and former names (if any);
- 2- Flag, port of registry, and call sign;
- 3- Name of Vessel's agent, owner/line;
- 4- Vessel's length overall, gross registered tons, net registered tons, and deadweight;
- 5- Expected draft on arrival;
- 6- Expected time of arrival;

- 7- Cargo particulars, including nature, tonnage/weight, stowage by hatches;
- 8- Any other cargo being carried for other destination;
- 9- Quantity and class of dangerous cargo (if any);
- 10- Vessel's year built.

M) The required shipping documents (on seller's account):-

- Full set clean on board marine bill of lading, marked freight prepaid and issued in favor of GSFMO. Along, a declaration to the bill of lading (SAMA Text).
- Commercial invoice certified by the concerned chamber of commerce / industry and legalized by the Saudi Consulate, with statement of beneficiary that the goods is supplied in strict conformity according to the specifications.
- Certificate of origin, certified by country of origin authorities and legalized by Saudi Consulate.
- Sanitary certificate issued by concerned official authorities in country of origin, to prove that wheat is free from injuries, insects, diseases, pests, dioxin, poisons, chemicals, radiation and/or cotton seeds.
- Cleanness certificate issued by the vessel owners or independent surveyor, stating that "vessel holds and stowage area are, free from rust scale and residue, weevils and alive/dead insects, infestation and iron filings, furthermore are dry and suitable to store and carry wheat intended for use as an edible product".
- Certificate of inspection, issued by any of these independent surveyors "a) SGS, b) Control Union, c) Eurofine", indicates the following aspects:-
 - **Acceptance** of loaded cargo, as per L/C specifications and conditions.
 - **Tonnage/weight** of the loaded cargo, at time of shipment.
 - **Analyzing outputs** of the loaded cargo, as per agreed measures.
 - **Grade/Crop year** of the loaded cargo, not less than No. (2) and of the latest crop.

The inspection should be done on samples taken at time of shipment, and the loading process should be achieved under full supervision of the inspector's representative.

- Courier service receipt, to prove that full copy of the shipping documents before legalization, was sent through special courier company within (7) days from B/L date and/or (3) days prior to vessel

arrival (whichever comes first), to Purchasing Dept., GSFMO- Head Quarters, P.O. Box 3402 Riyadh 11471 K.S.A. In addition to, another copy to be sent through fax during the same timing, to Jeddah / Dammam branches (fax: +966-02-6471171, +966-03-8470532), otherwise all levied penalties would be on supplier's account.

- Non-availability certificate of Saudi flag vessel upon shipment, issued by competent party/authority.
- Certificate of the goods producer / exporter particulars (name & address), issued by the supplier for customs use.
- Beneficiary's signed receipt covers the supplied goods value, along with valid copy of charter party.

Note:

Above documents/certificates to be issued in one original and three copies, except for the B/L and the Commercial Invoice that have to be issued in two originals and three copies.

All above terms/conditions are un-negotiable, and deletions or amendments are entirely at the discretion of GSFMO. Offers should abide by all terms/conditions of the tender, otherwise would be rejected. GSFMO has the absolute right to purchase all or some of the offered commodities and/or quantities.

It is understood, the offer has no obligation whatsoever on GSFMO party, until placing the official P.O. Furthermore, upon receipt of the 5% performance bond, and signing the related contract of supply according to the agreed terms/conditions in comply with the Saudi Purchasing Constitution (copy attached), the L/C application would be proceeded accordingly.

Thanking you in advance for your cooperation, with best regards

YOURS TRULY,

**Saleh Bin Abdullah Al Suhebani
PURCHASING & INSURANCE MANAGER**