

Ref: Tender For Lease / Rent of crude Oil Storage Capacity at ISPRL SPR in Underground Rock Caverns at Mangalore and Vizag
(Addendum-2)

SN	Tender Ref No	Tender clauses	Bidders' Queries	ISPRL's Replies
1	NIT	SD : 1 (One) month rental charges (BG is also acceptable and be submitted within 15 days of order	Certainly, this can be waived off for PSUs & in this case MRPL & ISPRL both are under MoPNG.	Bidder to be guided by the tender conditions
2	2.1	Capacity available for leasing/Renting -760 TMT	MRPL requests to make provision for lease/renting half the cavern i.e., 380 TMT, instead 760 TMT. Accordingly lease rental can be quoted for half the capacity.	Bidder to be guided by the tender conditions
3	2.1	"The API of crude oil to be stored should not be less than 24 API"	Please be allowed till 22 API.	Clause 2.1 is modified as The API of crude oil to be stored should not be less than 22.3 API. However successful bidder shall take clearance from ISPRL before procurement of crude.
4	2.3.1	Tenure: Initially two years, extendable by one year	Please note that this is a strategic decision to go for additional infrastructure on lease. Visibility/ clarity for higher duration will not only facilitate working out of appropriate economics but also helps in devising well informed operational philosophy. Any lower duration than five years, will inhibit utilization of cavern to fullest potential & associated/ unknown risks are difficult to assess. Please note such long -term leasing also benefits ISPRL to focus on other strategic activities. Based on the same, it is sincerely submitted to increase the tenure to minimum of five years, extendable by two more years.	Clause 2.3.1 is modified as Tenure: For three years and initially extendable by two years and further extendable by two years. Rate quoted by bidders shall be applicable for first 3 years. There will be 5% increase in the rate for 4 th & 5 th years from the quoted rate and a further 3% increase in the rates for 6 th & 7 th year over the rates applicable for 4 th & 5 th year.
5	4	Modalities of Payments	As MRPL is a public sector refinery and situated adjacent to ISPRL, it is once again requested to revisit the clause and agree positively.	Bidder to be guided by the tender conditions

Ref: Tender For Lease / Rent of crude Oil Storage Capacity at ISPRL SPR in Underground Rock Caverns at Mangalore and Vizag
(Addendum-2)

6	New		<p>"The Crude Oil landed cost payment during Oil Shortage Event shall be paid within 30 days from the date of completion of release. Interest shall be payable @ SBI PLR rate on delayed payments beyond 30 days.</p> <p>Tender is silent on this clause, may inset the condition that in case of oil shortage event, interest shall be payable @SBI PLR rate on delayed payments beyond 30 days in line with clause No 4.3</p>	Bidder to be guided by the tender conditions
7	New		<p>Subject to other terms, Lessee may have the option to exercise so as to enter into contractual arrangement or / and form consortium etc. with third party or parties for ensuring the Cavern filled with appropriate crude oil grades and can be withdrawn as per the refinery requirement, such that the Risk / Title shall be shared as per the agreed upon terms, in compliance with the applicable laws and regulations. However, under any / all such arrangement the contractual obligations between Lessee & ISPRL shall not be affected." Option to store crude oil for refinery own consumption.</p> <p>Please note that this is request to address as Tender is not covering this aspect. Certainly, our intent is not sub-leasing or bid by consulting upfront JVs/ Consortium etc. Our requested query is put forward as tender document does not show any coverage for the same. Please modify as requested so that deliverables/ acceptable under the contract should be ample clear to all stakeholders.</p>	Bidder to be guided by the tender conditions