



PETROLEUM BULK PROCUREMENT AGENCY

[PBPA]

PETROLEUM BULK PROCUREMENT SYSTEM IMPLEMENTATION MANUAL, 2024

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GROSSARY OF TERMS

"Agency"	Petroleum Bulk Procurement Agency
"Authority"	"Authority" means Energy and Water Utilities Regulatory Authority
"Board"	means the Ministerial Advisory Board established under the Executive Agencies (The Petroleum Bulk Procurement Agency) Order, 2015 and the term "MAB" shall be construed accordingly.
"Bulk Procurement System (BPS)"	Petroleum Bulk Procurement System established to ensure supply of petroleum products at the most competitive prices, by purchasing from a pool of reserves obtained through an international competitive bidding of Prequalified Suppliers to take the advantage of the economies of scale.
"Charter Party"	A contract between the charterer and the ship owner where the former hires from the latter for the use of the ship for a certain length of time or for a certain voyage.
"CIF"	A contract of sale whereby the seller bears all costs up to the time of loading of the goods aboard ship and pays for the freight and insurance of the goods for the voyage. Buyer assumes responsibility when the goods are loaded on the ship. He also bears customs duty, costs etc. at the port of destination. Seller nominates the ship; and the term Cost



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Insurance and Freight shall be construed accordingly.

"Delivered at Place" (DAP)	"Delivered at Place" means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.
"DAT"	"Delivery at Terminal" means seller bears cost, risk and responsibility until goods are unloaded (delivered) at named terminal at destination.
"EOP"	"End of Passage" means A point at which the vessel is considered to have ended the sea voyage and commenced harbor steaming prior to berthing; and the term EOP shall be construed accordingly.
"EWURA"	"Energy and Water Utilities Regulatory Authority" established under the provisions of the Energy and Water Utilities Regulatory Authority Act, Cap. 414; and the term the Authority shall be construed accordingly.
"FOB"	"Free on Board" means A contract of sale whereby the seller delivers the goods free on board the ship nominated by the buyer and at the time stated by the buyer. Seller bears all costs up to and including the loading on the goods aboard the ship and the term FOB shall be construed accordingly.



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"Gross Misconduct"

An act or behavior which endangers security of supply of petroleum product in the country.

"Marine Petroleum Inspector or Marine Petroleum Surveyor"

Shall mean an employee of the Agency mandated to oversee all discharge operations.

"Minister"

Minister responsible for petroleum affairs

"OMC"

An Oil Marketing Company licensed by Authority to undertake petroleum wholesale business and may be acting as an agent of the transit consignee.

"PBPA"

Petroleum Bulk Procurement Agency established under Executive Agencies Act Cap. 245 vested with mandates of coordinating and managing efficient procurement of petroleum products through Bulk Procurement System.

"Safe Port"

A port which is safe for a particular ship to enter, lie, load and discharge always afloat.

"SPM"

"Single Point Mooring" means an off-shore facility owned and operated by TPA to offload the petroleum product from tankers.

"SRT"

"Single Receiving Terminal" means is the offshore tank farm used as an offloading point designated to receive petroleum products from delivery vessel for onward transfer to OMCs allocated terminals.



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Inspector

An employee of Tanzania Bureau of Standards or Weights Measure Agency performing marine inspection for cargoes imported under BPS.

Independent surveyor or independent inspector

Means an entity registered by the Authority to supervise marine loading and offloading operations.

"TASAC"

Tanzania Shipping Agencies Corporation established under the provisions of Tanzania Shipping Agencies Act.

"TBS"

"Tanzania Bureau of Standards" established under the provisions of the Standards Act, Cap. 130.

"TPA"

"Tanzania Ports Authority" established under the provisions of the Ports Act, CAP. 166.

"TRA"

"Tanzania Revenue Authority" established under the provisions of the Tanzania Revenue Authority Act, Cap. 399.

"WMA"

Weights and Measures Agency established under the Executive Agencies Act CAP 245.



1. INTRODUCTION

This Manual is developed pursuant to the Petroleum (Bulk Procurement) Regulations, 2017 and its Amendments 2023.

1.1. Preamble

This manual shall be referred as **Petroleum Bulk Procurement System (PBPS) Implementation Manual, 2023.**

The Petroleum Act, Cap 392 requires that petroleum products supply to Tanzania mainland are conducted through an efficient procurement system that shall be specified by the Minister responsible for petroleum affairs.

The Minister has exercised powers conferred to him under the Act, and directed that, petroleum products for the Tanzania Mainland market shall be procured through a Bulk Procurement System (BPS).

The PBPS Implementation Manual gives an outline of the Petroleum Bulk Procurement System for Mainland Tanzania by providing the institutional framework and the procedures for procurement and importation of petroleum products.

This manual has been developed by the Petroleum Bulk Procurement Agency, vetted by the Authority and approved by the Minister responsible for petroleum affairs by virtue of the Petroleum (Bulk Procurement) Regulations, 2017 and its amendments of 2023. It has been developed for effective operation of the Bulk Procurement System.

The Petroleum Bulk Procurement System Implementation Manual regulates all matters related to invitation to bid, bid evaluation, bid qualification and award of



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the bid to supply petroleum product in bulk and guide all operation matters related to procurement of petroleum products under BPS, including pre-arrival checks, single receiving operations which includes but not limited to pre-discharge operations, discharge operation, post discharge outturn, customs and warehousing.

The types of petroleum products covered under the Bulk Procurement System are as follows:

- (a) Automotive Gas Oil (AGO);
- (b) Unleaded Motor Spirit Premium (MSP);
- (c) Jet A-1;
- (d) Illuminating Kerosene (IK);
- (e) Liquefied Petroleum Gas (LPG); and
- (f) Heavy Furnace Oil (HFO).

The following documents are attached to this manual; specifications for all products, shipping and supply contracts between the Agency and the supplier and between the Agency and OMCs, Standard Operating Procedures. The referred documents might change from time to time as need shall arise.

Tenders for delivery of all petroleum products except Liquefied Petroleum Gas (LPG) and Heavy Furnace Oil (HFO) shall be on the modality as shall be prescribed by the Minister and shall be called on intervals agreed by all stakeholders. The mode of tendering may be changed whenever circumstances require. Tenders for delivery of LPG and HFO shall be as advised by the Minister in consultation with the Authority, Agency and other stakeholders.



1.2. Objectives

The main objectives of this manual are:

- a) to set guidelines for coordination of bulk importation of petroleum products in which all players will be assured of security of supply at the most competitive prices possible through international competitive bidding process by taking advantage of economies of scale;
- b) to ensure that the suppliers and buyers (OMCs) observe terms and conditions of the contracts and laws Governing importation of petroleum products in bulk;
- c) to serve as a reference tool in making decisions involving the management and operation of the Bulk Procurement System;
- d) to establish guidelines to be followed by key stakeholders in the petroleum industry;
- e) to provide to key stakeholder's information on Bulk Procurement System policies and procedures with respect to all key activities under the Bulk Procurement System; and
- f) To create a level playing field to all stakeholders involved in the petroleum product supply chain.

1.3. Functions of PBPA with respect to BPS

The following are the activities of the Agency under Bulk Procurement System:

- (a) register OMCs for the importation of petroleum products through BPS;
- (b) conduct pre-qualification of suppliers to participate in tenders for the supply of petroleum products;
- (c) prepare and maintain a forecast of the supply and demand of petroleum products;
- (d) collect and consolidate the procurement requirements of petroleum products from OMCs;
- (e) plan receipt of petroleum products based on ullage availability, receiving terminals and ports' capacity and available window at discharge port;



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- (f) establish and maintain delivery schedule of petroleum products;
- (g) conduct international competitive bidding for the procurement of petroleum products in bulk;
- (h) ensure diligent discharge and receipt of petroleum products from the delivery vessels to SRT or nominated terminals;
- (i) foster economies of scale for petroleum products imported through BPS for both transit and local use;
- (j) coordinate and manage single receiving operations;
- (k) maintain records of shipments and its performance;
- (l) coordinate invoicing and collection of payments for the respective shares of petroleum products imported by OMCs;
- (m) collect unpaid demurrage from receivers and refunds from suppliers for onward payment to beneficiaries;
- (n) Coordinate refund of excess demurrage paid by OMCs;
- (o) advise the Authority on issues related to the importation of petroleum products;
- (p) collect fees related to importation of petroleum products through BPS on behalf of other relevant institutions, subject to agreement entered with the institutions;
- (q) provide relevant information, in a timely manner, related to the petroleum business to the Ministry, the Authority, OMCs, TRA, TPA, TBS, WMA, TASAC, financial institutions and other relevant parties when requested;
- (r) report to the Ministry on Agency's activities on monthly basis;
- (s) report to the Authority on BPS operations on monthly basis or as may be required; and
- (t) create awareness on Bulk Procurement System.
- (u) The Agency shall, in the exercise of its functions, have powers to;
 - i. -conclude and administer the performance of contracts between the Agency and OMCs as well as suppliers;
 - ii. investigate and take action against any malpractice done during receipt of petroleum products from delivery vessel;



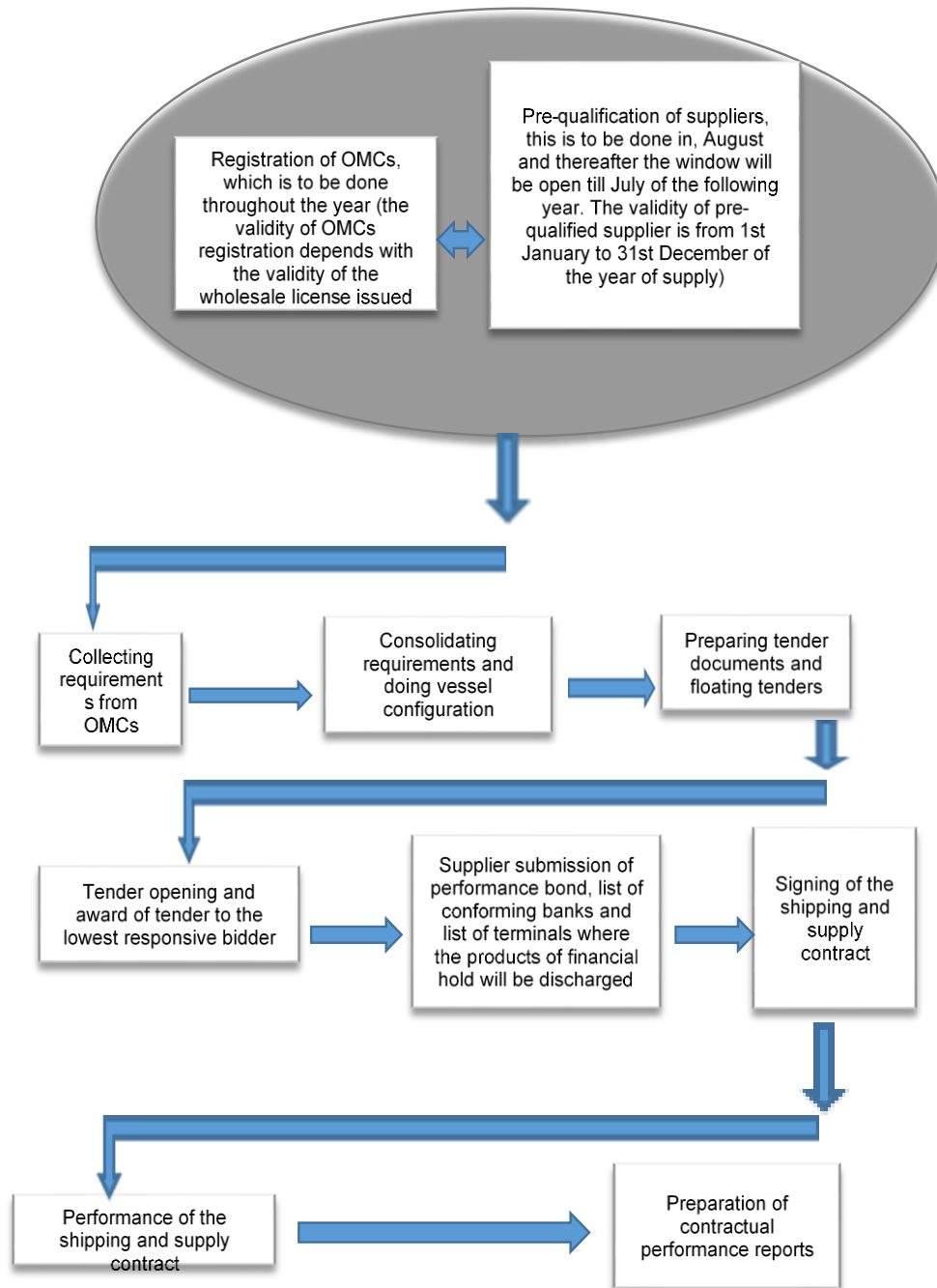
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- iii. invest in undertaking that aims at ensuring the efficient procurement and receipt of petroleum products;
- iv. issue operational directives with a view to improving efficiency procurement of petroleum products;
- v. require information from any institution on matters pertaining to BPS; and
- vi. exercise such other powers as are necessary for or incidental to the implementation of its functions.



1.4. System Outline (Framework).





1.5. LEGAL FRAMEWORK

The legal framework relevant for the Petroleum Bulk Procurement System is derived from, among others the National Energy Policy of 2015 and, the following legal instruments:

- (a) The Petroleum Act, CAP. 392; GN No. 21 of 2015;
- (b) The Petroleum (General) Regulations, 2011;
- (c) The Petroleum (Bulk Procurement), Regulations 2017 GN No. 198 of 2017;
- (d) The Environment Management Act, CAP. 119 of 2004;
- (e) The Energy and Water Utilities Regulatory Authority Act, CAP. 414;
- (f) Weights and Measures Act, CAP.340;
- (g) Standard's Act, Act No. 2 of 2009;
- (h) Customs Laws;
- (i) International Commercial Terms (Incoterms) are key instruments to the implementation to BPS;
- (j) Petroleum products specifications; and
- (k) Any other relevant laws.

2. INSTITUTIONAL FRAMEWORK

The Petroleum Bulk Procurement System shall be overseen by the undermentioned institutions which have a role to play in the system:



2.1. Energy and Water Utilities Regulatory Authority (EWURA)

The Energy and Water Utilities Regulatory Authority (EWURA) as the regulator in the downstream petroleum sub-sector, is responsible for overseeing all matters related to the supply of petroleum products in the country in accordance with the provisions of the Petroleum Act of 2015.

2.2. Petroleum Bulk Procurement Agency (PBPA)

Petroleum Bulk Procurement Agency is an Executive Agency vested with mandate of coordinating and managing efficient procurement of petroleum products through Bulk Procurement System. This mandate emanates from the Petroleum Act, CAP. 392 and is operationalized by the Petroleum (Bulk Procurement) Regulations, 2017 (GN No. 198).

2.3. Weights and Measure Agency (WMA)

- (a) The Weights and Measures Agency is an Executive Agency, responsible for fair trade transactions through certification of weights and measures. These responsibilities of WMA are stipulated in the Weights and Measures Act, CAP. 340;
- (b) WMA is fully involved in determining the arrival quantity of petroleum products and the quantity of products discharged from delivery vessels and received in the respective nominated receiving terminals. Under the Bulk Procurement System, WMA is considered the final authority in dispute related to difference on measurement of arrival quantity and quantity discharged and received into shore tanks.

2.4. Tanzania Bureau of Standards (TBS)

- (a) Tanzania Bureau of Standards (TBS) is mandated to oversee and set standards of imported and local made commodities. Pursuant to Section 4



(1) of the Standards Act No. 2 of 2009, TBS has the following functions which are directly related to the Bulk Procurement System:

- i. To prepare, frame, modify or amend National Standards;
- ii. To undertake measures for quality control of commodities, services and environment of all descriptions and to promote standardization in industry and trade; and
- iii. To provide for the inspection, sampling and testing of locally manufactured and imported commodities with a view to determining whether the commodities comply with the provisions of the Standards Act or any other law dealing with standards relevant to those commodities.

(b) TBS is the final authority in determining the quality of imported petroleum product. Vessels bringing petroleum products are allowed to discharge the product only after receiving an approval from TBS that the product conforms approved standards and specifications.

2.5. Tanzania Revenue Authority (TRA)

(a) Tanzania Revenue Authority (TRA) as the central body for the assessment and collection of revenues which include taxes, duties, fees, fines and other monies imposed by or collected under various laws or provisions of laws set out in the First Schedule of TRA Act, CAP 399;

(b) TRA is responsible for collecting all taxes associated with importation of petroleum products through BPS;

(c) Any change of cargo ownership (cargo manifest) and localization of petroleum products imported for transit use must be approved by TRA.



2.6. Tanzania Shipping Agencies Corporation (TASAC)

Tanzania Shipping Agencies Corporation (TASAC) is responsible for supervision of all marine services and charges fees for all seaborne cargoes (including refined petroleum products).

2.7. Tanzania Ports Authority (TPA)

- (a) The Tanzania Ports Authority (TPA) operates a system of ports serving the Tanzania hinterland and the landlocked countries of Malawi, Zambia, Democratic Republic of Congo (DRC), Burundi, Rwanda and Uganda;
- (b) The principal objectives of TPA which relates to the bulk procurement system are:
 - i. To establish and coordinate system of harbours; and
 - ii. To provide facilities relating to harbours and provide harbours services.
- (c) Moreover, under BPS, suppliers are supposed to send particulars intertank or standard tanker chartering questionnaire 88 (Q88) of the nominated vessels to TPA for approval before loading the vessels with petroleum products.

2.8. BPS Prequalified Suppliers

BPS prequalified suppliers are both international and local entities entitled to participate in tenders for the supply of petroleum products. Tenders for the supply of petroleum products under the Bulk Procurement System are floated to the pre-qualified suppliers only, participation in tenders is not open to the general public.



2.9. Oil Marketing Companies (OMCs)

OMCs are the locally registered companies eligible to place requirements of petroleum products through Bulk Procurement System for local use and act as an Agent for transit consignee. The eligibility of an OMC to participate in the BPS is to have a valid Petroleum Wholesale License issued by the Authority. Financing of petroleum products under BPS is done by the OMCs for local products. In order to be entitled to participate in tenders for procurement of petroleum products as buyers OMCs are supposed to enter into importation agreement with the Agency. The standard Importation agreement is provided under Appendix 1.

3. REGISTRATION AND DEREGISTRATION OF OMCs

Registration and deregistration of OMCs shall be done in the manner provided below:

3.1. Registration of OMCs

(a) Regulation 13B of the Petroleum (Bulk Procurement) (amendment) (GN. 40 of 2024) requires OMCs to register with the Agency in order to be eligible to import petroleum products. The Agency has been mandated to prepare procedures for registration of OMCs intending to import petroleum products under BPS. Below are the procedures and requirements for registration:

- 1) The following documents must be submitted by an OMC when making an application to be registered by the Agency;
 - a. Application letter;
 - b. A certified true copy of the following:
 - i. Certificate of Incorporation;
 - ii. Petroleum Wholesale license issued by the Authority;
 - iii. Business Trading License;
 - iv. TRA Importation License;



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- v. TIN Certificate;
 - vi. VAT Certificate;
 - vii. Memorandum and Article of Association; and
 - viii. Hospitality agreement(s) or proof of own storage facility;
 - c. Specimen signature of at least two representatives;
 - d. List of staffs responsible in handling all operations related to receiving of petroleum products;
 - e. Three months' importation projections volume;
 - f. Letter from BRELA showing the current status of the company including:
 - i. Name of Shareholders (number of shares should be stated);
 - ii. Name of Directors; and
 - iii. The last time the company filed returns;
 - g. Comfort letter from OMC's banker stating the OMCs financial position;
 - h. Tax clearance certificate; and
 - i. Source of financing proved by letter from financier committing to finance the OMC.
- 2) An OMC applying to be registered by the Agency shall be required to pay registration fees of Tshs. 5,000,000/= (Five million shillings only) as approved by the Minister responsible for Petroleum affairs;
- 3) After complying with all conditions, the registered OMC will be required to enter into the importation contract with PBPA before being allowed to participate in BPS tenders as buyer; and
- 4) The importation contract shall comprise of terms and conditions that govern the relationship between the Agency and OMCs, and shall



stipulate relationship between the Agency, and any other related parties in the BPS including operators of SRT.

- 5) An OMC who will be aggrieved by the decision of the Agency may appeal to the Minister Responsible for petroleum affairs.

3.2. Deregistering of OMCs

- (a) OMCs registered with the Agency shall be deregistered and shall not be allowed to participate in tenders upon occurrence of either of the undermentioned incidences:

- i. Upon expiration of OMCs petroleum wholesale license issued by the Authority; and or
- ii. Revocation of OMCs petroleum wholesale license issued by the Authority.

- (b) An OMC wishing to re-register with the Agency shall be required to pay Registration fee and submit all documents listed in items 4 (a) (i) above; and

- (c) An OMC who will be aggrieved by the decision of the Agency may appeal to the Minister Responsible for petroleum affairs.

4. BPS SUPPLIER PRE-QUALIFICATION

- (a) Regulation 13C (1) of the Petroleum (Bulk Procurement) (amendment) (GN. 40 of 2024) requires suppliers to be pre-qualified by the Agency in order to be eligible to import petroleum products.
- (b) Application for pre-qualification shall be advertised and companies conforming the requirements shall be pre-qualified and be invited to bid for supply of petroleum products under the Bulk Procurement System.
- (c) Advertisement for invitation for pre-qualification shall be done through:



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- i. Local and international newspapers;
 - ii. Emails to previous prequalified suppliers;
 - iii. Emails to OMCs;
 - iv. Emails to international forums and institutions dealing with petroleum business;
 - v. Emails to individual companies which showed interest to participate in BPS tenders; and
 - vi. PBPA website;
- (d) The prequalification criteria for a bidding entity shall be provided in the bidding document for application for pre-qualification;
- (e) Prequalification of suppliers shall be done in August after expiration of previous prequalification and thereafter pre-qualification will proceed as and when the applications will be received;
- (f) August prequalification shall be conducted as provided below:
- i) Advertisement for prequalification shall be issued not later than 10th August of the year of prequalification;
 - ii) The deadline for submission of the documents as communicated by the Agency shall be 31st August of the year of prequalification and not later than 10th September of the year of prequalification;
 - iii) Evaluation of submitted documents shall be done within ten (10) days from deadline for submission of prequalification documents followed by due diligence as and when required;
 - iv) Due diligence for new applicants is a must and shall be repeated after every three (3) years;
 - v) Results for due diligence will be presented within 45 days from the date the applications were submitted;
 - vi) Letters of award to the prequalified suppliers shall be issued within two months from the date of application for prequalification;



- vii) Prequalified supplier will be eligible to participate in tenders for the supply of petroleum products up to 31st December of the year of supply;
- viii) Prequalified supplier will be eligible to participate in tenders for the supply of petroleum product for three (3) years from the date of being pre-qualified subject to payment of validation fees of USD 1000 payable on second and third year;
- ix) During payment of validation fee under paragraph 5(e) (vii) above the applicant shall notify the Agency of any changes in office location, shareholding structure, joint venture arrangement, and source of financing, etc;
- x) Upon expiry of pre –qualification duration supplier shall be required to apply for a fresh pre-qualification document; and
- xi) Applicant for prequalification who will be aggrieved by the decision of the Agency may appeal to the Minister Responsible for petroleum affairs.

4.1. Pre-Qualification Criteria

- (a) The prequalification criteria for a bidding entity will include the following minimum requirement; and
- (b) The application for pre-qualification shall be by way of a letter addressed to Executive Director of the Agency.

Documents to be Enclosed in the Application Letter.

- (a) The application letter should include the undermentioned documents:

- 1) statement in precise terms explaining applicant's commitment to;
 - a. Provide credit of not less than sixty (60) calendar days to purchasers from the first day of delivery date range;
 - b. Undertake to comply with TBS standards in regards to the specifications of the products;



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- c. Undertake to deliver the cargoes in vessels that have been approved by TPA; and
 - d. Perform the contract in line with the terms and conditions stipulated in the Shipping and Supply Contract and the governing laws of Tanzania.
- 2) A warrant that there is no actual or threatened litigation that may affect its liability to comply with the performance of the contract under the Bulk Procurement System.
- 3) Assurance that the company is not insolvent, declared bankrupt by a competent court or be the subject of any winding up process.
- 4) valid tax clearance certificate issued by competent authority or as the case shall be a letter from competent Authority that the company has been exempted from paying tax or is operating in a tax-free zone.
- 5) A statement explaining the modality of handling the responsibilities under the Shipping and Supply Contract i.e., office where all operations will be performed. If some of the company obligations will be performed by an offshore office or Affiliate Company, the applicant must provide the address and the nature of activities which will be performed by those offices.
- 6) For companies wishing to form a joint venture, a joint venture agreement shall be registered in Tanzania. The joint venture agreement should state:
- i. Management of the joint venture operations;
 - ii. Rights and responsibilities of parties to the Joint venture agreement;
 - iii. Profit and loss sharing;
 - iv. Financial contribution to the joint venture; and
 - v. Technical support to the joint venture.
- 7) Details on source of financing of the obligation under the Shipping and Supply Contract in the event they win the contracts.



- 8) Company profile containing, among other information, staff competency on international trading of petroleum.

Prequalification Criteria for BPS Supplier

(a) The prequalification criteria for suppliers of petroleum products shall be as provided below;

- 1) That the application contains all the information required under paragraph 5.1.1.a (1-8) above;
- 2) The applicant must be a registered legal entity structured for the petroleum supply and trading business, proof of which will be sought from certified copies of the company's certificate of registration, memorandum/articles of association, tax payer's registration certificates and business license;
- 3) International companies must have a gross trading turnover of at least US\$ 1 billion per year and for local companies must have capitalization or asset base of at least ten billion (10,000,000,000) Tanzania Shillings, both shall be evidenced by a certified Audited Financial Statements for the past three consecutive years;
- 4) Proof of payment of pre-qualification processing fees of USD 5,000 for multinational companies and TZS 5,000,000/= for local companies. The fee is payable after every three (3) years from the date of pre-qualification;
- 5) The applicant must have a minimum experience of three (3) years in international trading of petroleum products with a minimum trading volume of 1,500,000MT for international companies. Local companies must have a minimum of five (5) years' experience in local marketing business of petroleum products with a minimum trading volume of 100,000 MT per year (all products inclusive). The aforementioned experience must be proved by any of the two items listed below;



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- (i) Letters from customers or supplier/refineries indicating annual volumes traded;
 - (ii) Certified copies of Bill of Lading; and
 - (iii) Certified copies of contract.
- 6) For local applicants they must not have defaulted to make payment as buyers of refined petroleum products for the period of twelve (12) consecutive months prior to invitation for pre-qualification;
- 7) Past performance of the contracts with the Agency. In ascertaining the past performance, regard shall be made to the following;
- i. The Agency records on the supplier's performance in the previous tenders;
 - ii. Minutes of the stakeholder's meetings; and
 - iii. Correspondence from other parties in relation to the supplier's performance of the contract

4.2. Pre-qualification Results

- (a) Notice and validity of prequalification results shall be in the manner provided below;
- 1) List of pre-qualified suppliers will be released to all applicants and all stakeholders in petroleum industry in Tanzania and will be maintained in the Agency register;
 - 2) The list of prequalified suppliers will be valid for three (3) years from the date of being prequalified up to the 31st December of year of supply; however, the list will be updated annually based on payment of validation fee;
 - 3) The Agency might extend the validity of the prequalification of suppliers upon consultation with Ministry responsible for petroleum affairs and the Authority.

4.3. Due Diligence for Suppliers



- (a) The Agency shall conduct a background check/due diligence of all prequalified suppliers as elaborated above under 5.1.
- (b) A pre-qualified supplier who is subsequently proven to be unqualified shall be removed from the register.

4.4. Dis-Qualification of Pre-Qualified Supplier

- a) The Agency may disqualify a supplier who has been prequalified if it satisfies itself that such supplier has submitted false information that materially influence or intended to influence the Agency's decision;
- b) Prequalified supplier who will be aggrieved by the decision of the Agency shall appeal to the Minister Responsible for petroleum affairs.

5. IDENTIFICATION OF PETROLEUM PRODUCTS REQUIREMENTS

- (a) Petroleum products procurement involves a series of operations whose sequence is critical for the proper functioning of the chain. A well-planned Bulk Procurement System for petroleum products will enable cost effective access to petroleum products by improved procurement. Identification of requirements involves the under mentioned activities;
 - 1) Supply and Demand Forecast;
 - 2) Monitoring and controlling stocks levels and taking proactive actions to remedy any foreseen shortages and overstocking which will affect ullage availability;
 - 3) Maximizing and protecting economies of scale of BPS imports including monitoring of adjustment of orders/requirements.
 - 4) The OMCs seeking to add transit parcels in the BPS Vessels shall first get the approval from the Agency, approval to add transit parcels shall be given after considering the need for space to add local quantity.



5.1. Supply and Demand Forecast

Supply and demand forecast shall be managed as provided below;

- (a) Annual tendering calendar shall be established by the Agency and approved by the Board. The Annual Tender Calendar shall be shared to all stakeholders in the petroleum industry including prequalified suppliers;
- (b) The Agency shall request OMCs to submit their petroleum products requirements, consolidate the received requirements and float tenders based on the approved intervals and or modality. In arriving at the adequate importation requirement, the Agency shall;
 - i. Simulate petroleum stocks for each OMC and establish days covered based on respective market share as provided by the Authority;
 - ii. If the submitted requirements are not sufficient for specified period, the Agency shall write to all OMCs whose stocks are below buffer stock of 15 days pursuant to Regulations 6 of Petroleum General Regulations; requiring them to take necessary remedial measures.
- (c) The Agency has the mandate to plan and schedule, receipt of petroleum products based on the prevailing circumstances, in doing so OMC's ordered petroleum products shall be received in any Port which is used to receive petroleum products imported through BPS as allocated by the Agency.
- (d) Planning supply and forecasting of annual demands and importation and collections of monthly requirements shall be in the manner provided below;
 - i. The Agency shall establish annual importation and tendering schedule which will comprise;
 - a. Commencement date for OMCs to submit requirements;



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- b. Deadline for submission of requirements;
 - c. Delivery date range for each of the discharge point;
 - d. Dates for OMCs to submit nominations;
 - e. Date for establishment of delivery schedule;
 - f. Date to issue Bidding Document; and
 - g. Date to open the tender.
- ii. For the purpose of making proper planning and scheduling of petroleum products imports;
 - a. All OMCs shall submit to the Agency annual petroleum products projections for each product type with clear assumption of driving factors used;
 - b. OMCs shall submit to the Agency such forecast requirements by the end of October of the year preceding the year of importation;
 - c. The Agency shall consolidate and review submitted forecast requirements based on sales history data for each individual OMC and produce annual rolling importation forecast on monthly basis.
- iii. Each OMC shall at the beginning (within 10 days) of the month (M) submit to the Agency monthly petroleum products imports requirements for both local market and transit (optional) for delivery month (M+2);
 - a. Monthly nominations shall be checked if they are covered by bank guarantee;
 - b. Acceptance of nominations is subject to availability of valid and sufficient bank guarantee; clearance of obligations on previous cargos including but not limited to financial obligations; and



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- c. Acceptance of transit orders must be accompanied by credible evidence of orders/confirmation from the respective consignees in the destination or ordering countries. The same should be accompanied by contacts (e-mail address and telephone number) with proper physical and postal addresses which the Agency can use to contact the consignee when required;
 - iv. The Agency shall issue compliance order to all OMCs who submitted monthly requirements, which are below their established local demand.
- (e) Before end of October every year each OMC shall submit to the Agency their annual importation plan for the following year. The Agency shall consolidate the submitted procurement plans and prepare industry petroleum products importation plan.



5.2. Monitoring and Controlling Stocks Levels

In monitoring and controlling stocks levels the Agency shall take proactive actions to remedy any foreseen shortages by doing the following: -

- (a) All OMCs are required by the Petroleum Act, Cap. 392 to maintain minimum operational stocks;
- (b) The level of minimum operational stocks shall be as prescribed by the Minister in the Petroleum (General) Regulations, 2011 GN No. 163 of 2011 or as shall be amended from time to time;
- (c) The Agency shall, on monthly basis analyze adequacy of petroleum stock in-tank and on shipment for local consumption based on established average consumption, simulating projected latest coverage date enough to suffice country consumption for at least two months ahead. The analysis shall take into account minimum operational stock level as shall be prescribed in the Petroleum (General) Regulations, 2011 GN No. 163 of 2011 or as shall be amended from time to time.

5.3. Monthly Orders

Monthly order shall be managed as provided below;

- (a) The Agency shall, every week, collect and review petroleum products stocks levels in order to monitor shifts in demand and in case of abnormal off-takes and stocks falling below the average monthly consumption, the Agency shall trigger for the appropriate action to be taken.
- (b) Based on average monthly consumption, the Agency in collaboration with the OMCs shall review the annual forecasts and determine re-order level, the optimal cargo sizes, lead time and the frequency of shipment on a monthly basis;



6. TRANSIT ORDERS

The use of Bulk Procurement System for transit products shall be optional. Moreover, financing of the transit cargoes shall be done by the consignee of the transit cargoes or any other company which is not locally registered. OMCs intending to place orders/requirements for transit shall be required to submit the following: -

- a) Details of the consignee of the transit parcel comprising of name, e-mail address, and telephone number and address (physical and postal);
- b) Agreement with the consignee of the transit cargo or any other document instructing the OMCs to place order on behalf of the consignee of the transit cargo;
- c) Evidence that at least 80% of the transit quantity imported in the month (M-2) was evacuated to destination countries; and
- d) Evidence that taxes for the localized transit products have been paid and the consignees/financiers have been refunded their money for the localized product.
- e) As the case may be OMCs placing transit orders may be required to submit registration documents and provide shareholding details of the consignee of transit cargoes.

7. RECEIVING INFRASTRUCTURES

- a) All owners of storage facilities shall submit to the Agency available storage capacities in their terminals and expansion plan in December every year.
- b) All owners of storage petroleum facilities shall update the Agency whenever there are changes on tank use.
- c) Only storage facilities approved by the Authority shall be allowed to receive products from petroleum importing vessels.



All storage facilities should have valid calibration charts for all storage tanks. Failure to comply, a storage tank will not be allowed to receive petroleum products from the vessel until the Agency receive certification from WMA.

8. VESSEL NOMINATION AND PRODUCT SPECIFICATIONS

Vessel nomination and product specifications shall be managed as elucidated below;

8.1. Vessel Nomination

Nomination of vessels to supply petroleum products under the bulk procurement system shall be managed as provided below;

- a) The Supplier shall nominate performing vessel at least 15 calendar days prior to the first day of delivery date range by providing Q88 of the vessel;
- b) The vessel carrying petroleum product calling Tanzania port shall be vetted and cleared by TPA and the Agency within 24 hours after receipt of Q88 of the nominated vessel;
- c) The Agency shall advice TPA during vessel nomination on vessels which have been proved to have poor performances in terms of discharge rates and losses in their previous voyage.
- d) Notwithstanding powers of TPA to approve vessel nomination any vessel which had poor performance in terms of discharge rate and losses under voyages will not be allowed to participate in BPS
- e) When floating tenders, the Agency shall ensure that the vessels capacity does not exceed 100,000 MT for SPM and 38,000 MT for KOJ1, Tanga and Mtwara. Increase of vessel capacity shall be advised when the infrastructure will be capable of handling bigger vessels.



8.2. Product Specifications

- a) Products specifications shall be as per TBS specifications.
- b) All petroleum products imported into Tanzania shall meet the approved product specifications.
- c) Petroleum products which do not meet the approved specifications shall not be allowed to discharge in Tanzania.

9. PRE -BIDDING PROCESS

The pre-bidding process for importation of petroleum products shall include the following;

9.1. Pre -bidding Communication

- (a) All importation orders from OMCs to the Agency (advising requirement of import parcels) shall be done in writing by using standard forms which shall be provided by the Agency;
- (b) The Agency shall acknowledge receipt of the importation orders from each OMC within two working days and shall evaluate the same and communicate to the OMCs whether the order has been accepted or not;
- (c) In case of any complaints in regards to order placed by OMC to the Agency the same shall be in writing and the Agency shall be required to acknowledge receipt of the communication within 2 working days. The lodged complaint(s) shall be dealt upon with within the time limits provided in legal instruments and other working documents;
- d) Communication by phone followed by e-mail is acceptable provided that signed copies are delivered within 24 hours thereafter.

9.2. Approvals of Placed Orders

Acceptance of OMCs' order shall base on the undermentioned criterial;



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- a) All OMCs placing order to the Agency shall instruct their bankers to remit 3% bank/cash guarantee in favour of the Agency on or prior to the date of submission of order. Any OMC failing to do so shall have its order removed from the tender volume;
- b) Acceptance of OMCs' order placed with the Agency is subject to clearance of;
 - i. Payment of fees payable to the Agency and other Government institution e.g., TBS, TASAC, WMA, TPA and any other relevant government institution;
 - ii. Financial obligations of previous cargoes as per terms and conditions of the Shipping and Supply Contract.
- c) All order for import raised by an OMC shall be considered and acted on subject to fulfilment of set criteria;
- d) If the aggregate parcels subscribed do not constitute an appropriate cargo sized as planned the Agency upon consultation with EWURA and the supplier(s) shall consider the possibility of asking the supplier to add additional cargoes in the won tender(s).

10. TENDER COMMITTEE

Evaluation of the tenders under the Bulk Procurement System shall be done by the under mentioned committee.

10.1. BPS Tender Evaluation Committee

- (a) The BPS Tender evaluation committee for the supply of petroleum product shall be comprised of a Chairman and other five members who shall be comprised of two (2) staff from the Agency and three (3) members from



OMCs as may be appointed by the Agency Executive Director and approved by the Board;

- (b) The tenure of the chairman and members shall be three (3) years. Members can be reappointed;
- (c) Pre-qualified suppliers or their affiliates shall not be eligible to be appointed as members of the evaluation tender committee.

11. BIDDING PROCEDURES UNDER BPS.

a) The bidding will be conducted under an International Competitive Bidding process, whereby the Agency will facilitate the process. The bidding procedure shall be comprised of the below key activities;

- i. Invitation to bid;
- ii. Submission of bidding documents on the tender opening day;
- iii. Tender opening and evaluation;
- iv. Award of the tender to the lowest responsive bidder; and
- v. Clearance form of previous tenders.

11.1. Bidding Documents

a) Tender documents provide the basis on which bidding documents should be. The standard tender documents are provided in Appendix 2 to 6

Appendices to this manual are;

- i. Tender document for AGO - Appendix 2*
- ii. Tender document for MOGAS- Appendix 3*
- iii. Tender document for JET A-1 &IK- Appendix 4*
- iv. Tender document for COMBI TANGA- Appendix 5*
- v. Tender document for COMBI DAR & MTWARA- Appendix 6*



- b) The attached appendices are standard documents.
- c) Modifications shall be made when there are variations in discharge port and product to be imported in COMBI cargoes.
- d) When floating tenders, changes can be done to accommodate the approved tendering schedule and modality, pricing mechanism, and specifications.
- e) All bids submitted shall be accompanied by the following;
 - i. Bid security of value indicated in the bid data sheet which can either be in the form of a bank guarantee issued by a reputable bank in the form provided in the bid documents valid for 15 calendar days from the date of tender opening;
 - ii. Registered Power of attorney;
 - iii. Dully filled Price, quantity and delivery schedule.

11.2. Invitation to Bid

- a) An invitation to bid for tender to supply petroleum products will be sent to all pre – qualified suppliers not less than ten days (10) to the tender opening date.
- b) The Agency shall release notifications of tender quantities and delivery schedules as shall be prescribed in the annual importation calendar;
- c) The invitation shall contain tender quantities and delivery schedules;
- d) In the event unexpected offtakes and/or seasonal variations trigger necessity for change on BPS tender quantity the changes shall be processed not less than two working days before tender opening. An addendum to change the Bidding Document shall be prepared and appropriately communicated to all bidders.

11.3. Tender Opening and Evaluation

- a) All submitted bids will be opened and evaluated the same day in public and all bidders will be invited to witness the opening.



- b) Bidders' price quotes will be captured and projected or displayed for everyone to see it in public.
- c) Bidder's price quotes, will be circulated to attendees for their verification if what has been projected or displayed is actually what has been quoted by the bidders.
- d) Bids will be evaluated against pre-agreed criteria as specified in the bid documents and awarded to the lowest responsive evaluated bidder.
- e) Queries on the evaluation processes shall be raised and resolved during tender evaluation process. If bidders are not satisfied with the manner in which the tender committee has resolved the dispute, they shall refer the matter to the Executive director.
- f) The executive director shall resolve the matter within 24 hours. The decision of the executive director shall be final and binding.

11.4. Tender Award and Signing of the Shipping and Supply Contract

- a) The lowest responsive bidder will be awarded the tender on the same day of the announcement of the tender results.
- b) In the event there is more than one (1) lowest responsive bids with equal quoted price, the lowest bidders will be required to submit fresh lower price bids on the following day before 11:00 hours.
- c) The successful bidder shall be given notice of award of contract and shall be required to make all arrangements for the delivery of the import(s).
- d) Within nine (9) calendar days after receipt of the notice of Award, the successful bidder shall furnish to the Agency performance security bond of value stated in the bid data sheet in the form of a bank guarantee as per bid document, after which the Shipping and Supply Contract will be signed.



- e) In the event the winner fails to submit performance bond the second ranked bidder will be awarded the contract if the difference in premiums with the lowest responsive bidder will not exceed ten percent (10%) of the premium quoted by the lowest responsive bidder. If the second lowest will not meet the conditions or accept the award, the 3rd lowest bidder will be considered for the award. The process will go on until the suitable bidder is obtained.
- f) If the difference between the 1st lowest evaluated bidder and the bidder to be considered for the award exceeds 10% as explained in paragraph (e) above a fresh tender shall be floated.
- g) Notwithstanding penalties provided under Petroleum Bulk Procurement Regulations bidder who failed to submit the performance bond shall be disqualified and its bid security bond cashed.

12. FOB PRICE BASIS OF PETROLEUM PRODUCTS IMPORTED THROUGH BPS

FOB Price basis and or pricing formula for petroleum products to be procured through BPS shall be determined by the Authority after consultation with stakeholders.

13. LEGAL RELATIONSHIPS UNDER THE BULK PROCUREMENT SYSTEM.

Smooth implementation of importation of petroleum products under the Bulk Procurement System depends much on the legal relationship between the Agency and the supplier, the Agency and the OMCs and the OMCs and the supplier also relationship between Supplier, Agency, OMC and Single Receiving Terminal Operator where applicable is very crucial in management of Bulk Procurement System. The legal relationship shall be created in the following manner.



13.1. Contract between the Agency and the OMCs;

- a) The Agency shall sign Importation contracts with OMCs which replicate the Shipping and Supply Contract to be signed between the Agency and the Supplier.
- b) The contract between the Agency and OMCs, gives the Agency the mandate to act on behalf of OMCs in matters related to importation of petroleum products under Bulk Procurement System. Also, it serves as a commitment from OMCs that they are bound by the terms and conditions of the shipping and supply contract between the Agency and the Supplier.
- c) The Importation contract between the Agency and OMCs is among the documents forming part of the shipping and supply contract between the Agency and the Supplier.

13.2. Contract between the Agency and the Supplier;

The Agency shall enter in to the contract with the supplier on behalf of the OMCs.
The contract between the Agency and the supplier;

- a) Guarantees that the OMCs will perform the obligations stipulated in the shipping and supply contract;
- b) Recognizes the OMCs responsibility of financing the petroleum products imported under the Bulk Procurement System;
- c) Recognizes the Agency role of coordinating importation of petroleum products through the Bulk Procurement System.

13.3. Contract between the Agency and SRT operator

- a) In accordance with regulation 25B the Agency shall enter into a contract with SRT operator for managing Single Receiving Operation;



- b) Preparation of the contract shall involve all stakeholders including the single receiving operator, OMCs, independent surveyors, Government Institution responsible in managing operation under BPS and Suppliers'
- c) The contract shall be submitted to the Authority for approval.

14. FINANCING OF THE PETROLEUM PRODUCTS

- a) Individual OMCs shall separately be responsible for arranging own financing of the petroleum products purchased jointly through the bulk procurement system.
- b) OMCs shall open a letter of credit to the supplier's banker or facilitate pre-payment in respect of the local cargo imported through Bulk Procurement System.
- c) For transit cargos the OMCs shall ensure the consignees have opened letter of credits to the supplier's banker or facilitate pre-payment in respect of their imported cargos. OMCs are not allowed to open LC for transit cargoes.
- d) Failure for OMC to fulfil contractual financial obligation as per provisions of Shipping and Supply Contract as well as Importation Contract between OMC (the Purchaser) and the Agency shall be dealt with as per terms and conditions of the shipping and supply contract and the Regulations in place.
- e) OMC shall be liable for all default made by the consignee of transit consignment. OMC liability shall be based on the principal agent relationship.

15. EMERGENCY SITUATIONS AND PUBLIC INTEREST

- a) During emergency situations the procurement of Petroleum Products shall be as directed by the Minister responsible for petroleum affairs when exercising powers conferred to him/her by the Regulations governing bulk procurement of petroleum products.
- b) In the public interest the Minister may issue in writing directives of specific or general nature to the Agency.

16. SHORTAGES CAUSED BY OPERATION



If there is need for additional requirements because of the shortage of petroleum products in the country which has been caused by contamination, demand change and force majeure events, the Agency with prior approval from the Authority, shall float an emergency tender. Floating of emergency tender shall be subject to the prevailing situation whereby the Agency may:

- i. Float and open an emergency tender within a very shorter period as opposed to the normal tender.
- ii. Waive the bidding conditions which cannot be met within a short period.

17. SINGLE RECEIVING OPERATIONS

All petroleum products procured through the Bulk Procurement System shall be discharged into Single Receiving Terminal (SRT) if the circumstances permit and thereafter distributed to the OMCS nominated terminals. Criteria for a terminal to be considered SRT:

- i. to be able to cross pump to other terminals;
- ii. Capacity to receive and transfer two (2) KOJ and two (2) SBM Vessels within a month; and
- iii. to be able to transfer and cross pump the received product within 10 days

18. DELIVERY PROCEDURES

Delivery procedures shall be as guided by the Standard Operating Procedures but not limited to the following;

18.1. Lodging of Cargo Manifest

- a) The Supplier shall ensure vessel's manifest is lodged to TRA with endorsed copy of bill of lading and proforma invoices for customs purpose) at least five



(5) calendar days before the Notice of Readiness (NOR) date or as specified in the customs laws whichever is earlier.

b) The Supplier shall submit DI to the Shipping Agent.

18.2. Pre-Arrival Checks

The Agency shall arrange pre-arrival checks for the cargo which will comprise of the following;

18.2.1. Cargo Documentations

- a) Tanks clearance certificate issued after the last voyage/ before the vessel is loaded with petroleum products.
- b) Inspection of load-port certificates of quality to confirm product loaded is per TBS specifications. If loading is by Ship-to-Ship (STS) operation, then a Certificate of Quality of the berthing (daughter) vessel supplying product as well as mother vessel must be provided to the Agency. Any deviations in this respect shall be reported to the Agency and the Authority and shall result in Agency rejecting the cargo and supplier obliged to replace the cargo.
- c) For Jet A-1 all certificates of quality issued in the chain of supply from the refinery to the delivery vessel, including refinery quality certificate (RQC) that is produced at the point of manufacture and or acceptable certificate of quality (COQ) that come out from the downstream of refinery in the intermediated supply terminal or if the cargo has been shipped from another terminal. The two documents shall cover the batch showing the fuel grade and confirm that they meet all applicable and relevant specifications or the latest JIG Aviation Fuel Quality Requirements for Jointly Operated System (AFQRJOS) checklist;
 - i) Copy of the latest recertification test certificate for JET A1, where applicable (for non-dedicated vessel, a multiple tank composite



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sample should be prepared for recertification test to confirm the condition of the product on board of the vessel). inspectors report from the load port including previous cargo and cleaning procedure and loading plan (if available).

- ii) Copy of certificate of origin for Jet A-1 all certificates shall be issued in the chain of supply from refinery to the delivery vessel.
- iii) Copy of cargo manifest and valid calibration certificates for ullage temperature interface (UTI), ship-tanks and vessel shall be issued.
- iv) Availability of Bills of Lading. If no Bill of Lading has been delivered, The Supplier shall be obliged to issue a valid worded Letter of Indemnity.

18.2.2. Disport Operations upon Arrival of the Vessel

- a) Confirmation of receiving facilities, the Agency shall communicate to receiving facilities (OMCs terminal) or with single receiving terminal operator in order to ensure that all shore tanks and receiving lines are prepared to receive the products and that the berth facilities (in consultation with TPA) have been evacuated in preparation for the arrival of the vessel.
- b) Receiving facilities shall not be allowed to receive products in empty tanks.
- c) The Agency shall also request vessels particulars and confirm arrival dates.
- d) The Agency shall ensure that it has deployed qualified Marine Petroleum Inspectors to manage discharge operations.
- e) Each vessel shall carry three load port samples of one litre each for each vessel compartment the sample shall be retained by the Agency, Supplier or Single Receiving Terminal operator where applicable.

18.3. Pre-Discharge Operations

Pre-discharge operations will be in the manner prescribed below.



18.3.1. Pre- discharge meetings.

- (a) The Agency's Marine Petroleum Inspector shall conduct and chair Vessel Pre-Discharge Meeting at shore side attended by OMCs representative, supplier's surveyor, Single Receiving Operator representative and OMCs independent surveyor where applicable whose main agenda is to agree on product discharge sequence for a particular vessel before commencement of discharge.
- (b) TPA, The Agency's Marine Petroleum Inspector, supplier's marine surveyor, Single Receiving Terminal operator where applicable and the master of the ship will conduct key meeting to agree on the discharge plans before commencement of discharge.

18.3.2. Sampling and Testing of the Product before Discharge from Delivery Vessel

- a) The procedure for sampling and testing of petroleum products shall be as prescribed by Tanzania Standard No. TZS 644 or as shall be amended from time to time.
- b) For purposes of convenience, order of preference for surveyors to board on the vessel shall be as follows:
 - i. surveyors/Marine Petroleum Inspectors from Government institutions & other Government officials
 - ii. supplier's inspectors
 - iii. SRT operator where applicable
 - iv. OMCs inspectors upon approval from the Agency.
- c) There shall be joint sampling between TBS, Agency's Marine Petroleum Inspector, single receiving terminal operator's Marine surveyor where applicable and supplier's marine surveyor. The Joint sampling team shall take five (5) samples which shall be sealed by TBS, Agency's Marine Petroleum Inspector, single receiving terminal operator's, Marine surveyor and Supplier marine surveyor, each entity shall retain a single sample in case of quality



dispute and the remaining sample shall be used for testing quality of the imported product by TBS.

- d) Sample taken from ship cargo tanks using appropriate method as per Tanzanian Standard or where it is silent, the Manual of Petroleum Measurement Standard Chapter 17 will be used. Samples collected shall be analyzed for quality in accordance with the TBS testing criteria and TBS shall issue a Quality Certificate to Agency, supplier, single receiving terminal operator and all concerned parties for every ship.
- e) In the event that the test results issued by petroleum independent surveyors are not equal with the results issued by TBS. All retained samples as per paragraph 19.3.2 (c) shall be tested at TBS lab and witnessed by all parties. The results of the retesting issued by TBS shall be final and binding save for technical errors.
- f) An OMC may appoint a surveyor to verify on quality and quantity of any petroleum products received in the nominated terminal.

Supplier's Independent Surveyor shall take additional samples which shall be used by them in testing quality of petroleum product.

The Independent Surveyors may issue a test certificate for the tests conducted in verifying the quality of imported petroleum products.

18.3.3. Checking of Receiving Infrastructures

- a) The Marine Petroleum Inspectors and independent Surveyors shall verify and issue report on the status of the receiving infrastructures before commencement of discharge.
- b) If there is serious concern on the integrity of the receiving infrastructure the marine surveyors and Inspectors shall immediately report the incidence to the Agency. The Agency shall analyze the incidence and make decision whether the respective terminal should be used to receive petroleum products or not.
- c) Receiving pipeline(s) shall be packed/filled with products in case it is empty or partial prior to commencement of discharge.



- d) Any ullage restriction on the shore tanks shall be noted and reported to the Agency and the same shall be dealt with as provided in this manual, the contracts and relevant laws.

18.4. Discharge Operations

Discharge Operation from Vessel to Oil terminal or Single Receiving Terminal

- a) Discharge operation must be discussed and agreed during pre-discharge key meeting. The decision reached by the Pre- discharge key meeting shall be final and binding. The Oil terminal or single receiving operator or any other person is not allowed to change the agreed discharge sequence without getting approval from the Agency.
- b) Discharge operations shall be witnessed by the Agency's Marine Petroleum Inspectors, supplier surveyor and single receiving operator surveyor where applicable (who shall be required to prepare a transfer log on receiving terminal discharge performance, time logs and pump pressures at the manifold).
- c) The Agency's Marine Petroleum Inspector shall lodge protest to any party that is party in the receiving process that frustrates the process in any way and may seek recovery of damages from the defaulting party (ies) on behalf of affected party (ies).
- d) During discharge operations (Marine Surveyors and Inspectors) of the Agency, supplier and single receiving operator where applicable shall:
 - i. Take samples on board the vessel and receiving terminal before and after completion of discharge to receiving terminal. The samples taken are for retention purposes. Samples shall be sealed by the surveyors and Inspectors and each shall retain two samples. Records of seal numbers for each retained samples shall be communicated to the



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Agency, the supplier and receiving terminal operator. Samples shall be retained for at least ninety (90) days.

- ii. Additionally, running samples shall be taken at the ship's manifold after every two hours during the discharge operations for Combi Cargoes for retention. The samples taken shall be used for testing/analysis of key parameters and retention.
- iii. Samples shall be sealed by all surveyors and Inspectors and each surveyor shall retain two samples. Records of seal numbers for each retained samples shall be communicated to the Agency, Oil terminal or single receiving terminal operator where applicable and the supplier. Samples shall be retained for at least ninety (90) days.
- iv. Testing of density and appearance should be done onsite and the results be issued immediately within fifteen (15) minutes. If the test result indicates the possibility of the product being contaminated, then testing of key parameters shall be done
- v. Results for the analysis on running samples for key parameters should be communicated to the Agency, OMCs or single receiving terminal operator and the supplier within five (5) hours from the time the samples were taken. The Marine surveyors and Inspectors should take immediate actions to mitigate the risk of contamination of product immediately after they became aware that there is risk of contamination or the analysis done suggest that the product has been contaminated.
- vi. Testing of all samples shall be done in line with the TBS standards
- vii. **Specific procedure to be followed during discharge of JET A-1;**
 - (a) During receipt of petroleum products samples shall be drawn from the ship's manifold and tested for key parameters approximately five (5) minutes after beginning and immediately before the end of discharged to oil terminal or single receiving terminal.
 - (b) For receipt from a non-dedicated vessel, samples, should also be taken at least every two (2) hours during discharge.



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- (c) Automatic or continuous line monitoring systems that include calibrated densitometers/turbidity analyzers (or equivalent) may be considered as equivalent to the above monitoring.
- (d) Any observed contamination should be reported immediately to the Ship's Master, supplier, Agency and single receiving terminal operator where applicable.
- (e) If there is any indication of the product being contaminated or gross amount of water or dirty observed the discharge should be stopped and the situation should be investigated. The Agency Marine Petroleum Inspector should instruct the vessel loading master to stop operations.
- e) In the event of any dispute in relation to contamination of product during discharge, samples taken under paragraph 21.4(e) shall be used to determine the point and cause of contamination. Samples taken under paragraph 21.4(e) shall be tested at an internationally accredited laboratory mutually agreed by the Agency, OMCs, receiving terminal.
- f) Before starting and after completion of discharge the petroleum Marine Petroleum Inspectors shall jointly take samples from the receiving manifold the said samples shall be tested at TBS Laboratory. The results shall be used to determine liabilities in the event of proof of meter breakdown results from the product discharged from the delivery vessel.
- g) The Agency is mandated to intervene on the vessel discharge in case of any dispute arising from the shipping and supply contract.
- h) In absence or malfunctioning of flow meter at the inlet or positive isolation of receiving tanks from the service tanks of single receiving terminal, the single receiving terminals shall not be allowed to transfer product to recipient when receiving petroleum products from delivery vessels unless approved by the Agency as per single receiving terminal operating procedure.
- i) If it will be proved that the receiving terminal infrastructures or seals have been tampered with the intention of stealing petroleum products during receipt, the respective terminal owner will be penalized pursuant to



Petroleum Bulk Procurement Regulations in place. During such occasion the highest figure between arrival and outturn will be used as receipt figures for that terminal.

19. TRANSFER OPERATION FROM SRT TO OMCs OIL TERMINALS

- a) The transfer sequence must be discussed and agreed during pre-transfer meeting. The decision reached by the Pre-transfer meeting shall be final and binding. The receiver, single receiving operator or any other person is not allowed to change the transfer sequence without getting approval from the Agency.
- b) Transfer operations shall be witnessed by the Agency Marine Petroleum Inspector who shall be required to prepare a transfer log on single receiving terminal performance, time logs and pump pressures at the manifold.
- c) The Agency Marine Petroleum Inspector shall lodge protest to any party that is party in the transfer process that frustrates the process in any way and may seek recovery of damages from the defaulting party (ies) on behalf of members affected.
- d) During transfer operations the Agency's Marine Petroleum Inspector and single receiving operator's surveyor shall:
 - i) Take samples from SRT tanks before and after the transfer process to receiving terminals.
 - ii) Take samples from receiving tanks before and after completion of receipt of product by respective terminal. The samples taken are for retention purposes. Samples shall be sealed by all Petroleum Marine Inspectors and Independent Marine Surveyors and each shall retain two samples. Record of seal numbers for each retained samples shall be communicated to the Agency and the single receiving terminal operator. Samples shall be retained for at least ninety (90) days.
 - iii) Specific procedure to be followed during transfer of JET A1.



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- a. During transfer of the product, samples shall be drawn from the recipient pipeline at a point as close to the single receiving terminal as possible for a Control Check;
 - b. For all transfer operations transfer line samples shall be drawn approximately five (5) minutes after beginning and immediately before the end of transfer to nominated terminals;
 - c. Automatic or continuous line monitoring systems that include calibrated densitometers/turbidity analyzers (or equivalent) may be considered as equivalent to the above monitoring; and
 - d. If there are indication of the product being contaminated or gross amount of water or dirty are observed the transfer should be stopped and the situation should be investigated.
- e) In the event of any dispute in relation to contamination of product during transfer, samples taken under paragraph 18.4 (e) shall be used to determine the point and cause of contamination.
 - f) Any observed contamination should be reported immediately to the single receiving terminal operator and the Agency.
 - g) Samples taken under paragraph 18.4 (e) shall be tested at an internationally accredited laboratory mutually agreed by the Agency and the single receiving operator.
 - h) Before starting and after completion of transfer from respective tanks at the single receiving operator terminal and nominated terminals the Marine surveyor shall jointly take samples from the said tanks. The said samples shall be retained for future reference and tested at TBS Laboratory. The results shall be used to determine liabilities in the event of dispute arising out of single receiving operations.
 - i) The Agency is mandated to intervene on the transfer operation in case a recipient in the single receiving operations has defaulted as per the shipping and supply contract.
 - j) In absence or malfunctioning of flow meter at the inlet or positive isolation of receiving tanks from the service tanks of receiving terminals, the receiving terminals shall not be allowed to load trucks or conduct cross pumping when



receiving petroleum products from SRT unless approved by the Agency as per single receiving terminal procedure.

19.1. Cargo Measurement

Cargo measurement at single receiving facility will be as per the manner provided below.

19.1.1. Methods

- a) All Petroleum products into and from the bulk storage facilities shall be measured in accordance with the relevant laws and procedures.
- b) Measurements method to establish petroleum quantities on board the vessel shall be approved by Weights and Measures Agency.

19.1.2. Units

- a) The accounting unit of measurement on board the vessel shall be in three decimal places corrected to 20°Celsius in MT for the under mentioned products:
 - i. Automotive Gas Oil (AGO);
 - ii. Unleaded Motor Spirit Premium (MSP);
 - iii. Jet A-1;
 - iv. Illuminating Kerosene (IK);
 - v. Liquefied Petroleum Gas (LPG); and
 - vi. Heavy Furnace Oil (HFO).
- b) Corrections shall be applied in accordance with the IP Measurement Table Ref IP 250 or any other measurement tables approved by the Weights and Measures Agency (WMA) and shall conform to the industry practice.

19.1.3. Quantities

- a) The arrival quantity of each delivery under this contract shall be determined



by WMA.

- b) Density determined by TBS shall provide the basis for determining the ship's arrival quantity.
- c) In the event of any dispute on the arrival quantity, the quantity determined by WMA shall be final and binding to all parties.
- d) The quantity reports (on arrival quantity) issued WMA shall be shared to the industry before the product is discharged from the vessel.
- e) Losses due to line slackness (realized at the end of transfer operations through outturn report) will be handled in line with the standard Operating procedure as prepared by the Agency.
- f) Line loss from the vessel to the single receiving terminal due to line slackness will be on the account of single receiving terminal operator.
- g) All decisions relating to discharge operations (including but not limited to change of berthing schedule and suspension of discharge operations shall be communicated to the industry before being implemented.
- h) DAP quantity for the purpose of invoicing Oil marketing companies (purchasers of petroleum products) shall be the lower volume among, load port quantity, BL figure and ship's arrival quantity.

19.2. Receiving Terminal Operators Responsibilities when Receiving Petroleum Products

- a) Owners and operators of receiving terminals shall take all precautions and observe international and industry practices when receiving petroleum products from delivery vessels.
- b) Products received and stored in the receiving tanks should be within approved specifications.
- c) Terminal owners and operators are required to immediately (within two hours) report to the Agency and the Authority in the event they become



aware that the product which is being discharged into their terminal is contaminated or there is spillage.

19.3. Customs Clearance

- a) The Agency Marine Petroleum Inspector shall notify all cargo owners of outturn quantities for reference during settlement of applicable bills.
- b) All taxes due on the product will be the responsibility of the individual OMC, and the Agency shall only be responsible for the communications between the OMCs and TRA in respect of quantities received whenever deemed necessary.

20. OUTTURN REPORTS

- a) WMA shall issue Discharge Report within three (3) days from completion of final measurements of shore tanks
- b) The Agency shall make sure that the outturn report is issued within two (2) days after receipt of discharge report from WMA or from SRT to nominated OMCs terminals.
- c) Any complaint of the outturn report shall be lodged to the Agency within 48 hours from the time the outturn report has been issued. Failure any complaint received thereafter shall not be considered.
- d) Any warehoused product shall be accessed by the beneficiary as per the proration data given by the Agency's Marine Petroleum Inspector. The beneficiary of the prorated quantity is entitled to get access immediately after the outturn and warehousing report has been issued.
- e) OMCs warehousing prorated quantity shall be required to give the said product to the beneficiary within 24 hours from the time the beneficiary has lodged notice of intention to evacuate the product. Failure to that the bank guarantee or cash cover will be utilized to compensate the beneficiary.



21. BANK GUARANTEE

- a) The OMC shall instruct his banker to issue a 3% bank guarantee or cash cover (equivalent to 3% of the value of the product to be ordered in that particular month, the estimated value is USD 700 per MT) in favor of the Agency prior to placing an order for importation of petroleum product.
- b) The bank guarantee shall be used to cover the under mentioned costs;
 - (i) Demurrage cost related to imported petroleum products under the Bulk Procurement System.
 - (ii) Fines and penalties charged by PBPA.
 - (iii) Contribution/fees for importation of petroleum products.
 - (iv) Cost of disposing the product on financial hold.
 - (v) Handling and storage charges.
 - (vi) Amount payable to other government institutions in relation to the importation of petroleum products through the bulk procurement system.
 - (vii) Compensate the beneficiary of the warehoused prorated petroleum product.
- c) If the bank guarantee is not sufficient to cover cost itemize in the paragraph above the Agency, the supplier, other government institutions and SRT operator shall have right to take other legal measures to recover the unpaid amount.
- d) Any OMC failing to submit the bank guarantee as required by the paragraph above to do so shall have its ordered quantity removed from the tender quantity.

22. INVESTIGATION OF DISCHARGE OPERATIONS

- (a) Claims between supplier and OMCs/SRT Operator related to discharge operations shall be investigated by the neutral and independent investigator appointed by the Agency in consultation with the supplier, single receiving



operator and receivers and/or any other institution which is involved in the operations subject to investigation.

- (b) Notwithstanding the above provision, the Agency has the mandate to conduct investigation as per Regulation 4B.5(2)(b) of the Petroleum Bulk Procurement (Amendment) Regulations G.N No. 40 of 2024.
- (c) Payment to the investigator shall be on the account of the claimant and the defendant on equal basis.
- (d) If there shall be more than one claimant or defendant, the distribution of the portions shall be done prorata provided that half of the total cost is paid by the claimant and half by the defendant.
- (e) Cost of the investigations will be transferred to the identified defaulter after the report has been issued.
- (f) The Agency shall coordinate the investigation.
- (g) The investigation report will be used in line with the shipping and supply contracts and the laws governing importation of petroleum products.

23. INVOICING AND PAYMENT FOR THE PETROLEUM PRODUCT

Detailed procedure on invoicing and payment of petroleum products are provided in the shipping and supply contract between the Agency and the Supplier and the importation contract between the Agency and OMCs. Below are key aspects in invoicing and payments.

23.1. Invoices (PFI and Final Invoice) to OMC

- a) Supplier invoices will be in United States dollar based on FOB component plus DAP premium based on the lower volume among the load port quantity, the arrival quantity and BL figure.
- b) All amounts shall be calculated to four (4) decimal places.
- c) The invoices should be sent to OMCs and the Agency within prescribed time as stated in the shipping and supply contract.



23.2. Payment to Suppliers

- a) An OMC shall provide an irrevocable Letter of Credit (LC) opened by an OMC's Bank but confirmed by any Bank as provided by the Supplier latest five (5) calendar days before 1st day of delivery date range or latest five (5) calendar days upon receipt of Proforma Invoice (PFI) from supplier whichever is later.
- b) If the supplier will delay to submit proforma invoice the OMC shall be given additional days from the deadline of opening LC which is equivalent to the days delayed by the supplier.
- c) The Supplier shall provide to the Agency a list of minimum ten (10) confirming banks before signing the contract as provided in the Notice of Award.
- d) The LC shall be payable at the Supplier's bank, without offset, deduction or counter claim and free of all charges latest 60 calendar days from the first day of delivery window.
- e) Charges for establishing the LC will be borne by the OMC.
- f) LC advising charges, confirmation charges and any other charges shall be borne by the Supplier.
- g)

24. DEMURRAGE

- a) Demurrage computations shall be done by the demurrage committee established by the Petroleum (Bulk Procurement) Regulations, 2017. GN. No. 198 of 2017.
- b) The demurrage committee shall be appointed by the Executive Director and shall be comprised of seven (7) members three (2) from OMCs and five (5) from the Agency (three from operations department (supply and logistics and planning), one from legal and one from finance department.
- c) In the event that a given vessel delays to deliver or discharge petroleum products resulting in a cascading effect, the Agency shall take measures to ensure the cascading effect does not escalate beyond three subsequent vessels.



24.1. Demurrage computation

- a) Demurrage computations shall be in line with the terms and conditions specified in the contract.
- b) When need be, during finalizing of the demurrage computations suppliers of respective tenders will be invited for the purpose of issuing clarifications and finalizing computations.

24.1.1. Delay of Vessels by OMCs

- a) The Agency shall ensure that any person causing delay of vessel discharge due to either ullage constraints, unopened LCs, delays in issued quality results, fault in infrastructure or any other reasons, are held responsible for the respective demurrage charges for that vessel.
- b) Demurrage cost resulting from cascading effect caused by the delays by the any person shall be borne by the person who caused delay in discharge of petroleum products from the last delivery vessel. For the purpose of this clause the cascading effect shall be limited to three subsequent vessels which will discharge petroleum products through the same delivery point after the delivery vessel which has been affected by OMC delay.
- c) Evaluate demurrage claims by the supplier and isolate.
 - i) Demurrage charges to be shared by the industry; and
 - ii) Demurrage charges to be paid by causative party.

24.1.2. Delay of Vessels by the Supplier

- (a) Demurrage computation for vessels arriving after the delivery date range shall start from all fast.
- (b) Demurrage cost resulting from cascading effect caused by the late delivery of the BPS vessel shall be borne by the supplier of the late delivery vessel. For the purpose of this manual the cascading effect shall be limited to three subsequent vessels which will discharge petroleum products through the same discharge point after the late delivery vessel.



25. EQUATING LANDED COST OF PETROLEUM PRODUCTS IMPORTED THROUGH DAR ES SALAAM, TANGA AND MTWARA PORTS.

- (a) For the purposes of ensuring efficient use of all receiving ports, landed costs for local products shall be equated for each product received through BPS.
- (b) The procedures and modality of managing equating petroleum products landed cost for all vessels regardless of the differences of the receiving ports shall be stated in the Standard Operating Procedure for Equal Price of Petroleum Products for all Receiving Ports.

26. MONITORING RECEIPT OF PETROLEUM PRODUCTS FROM DELIVERY VESSELS AND FROM SRT

- (a) The quantity of petroleum products receiving in terminals from the delivery vessel or SRT shall be recorded and monitored through SCADA which is operated by the Agency.
- (b) For appropriate operations of SCADA, all terminal operators/owners are required to have dedicated lines for receipt of each grade of petroleum product.
- (c) All terminals are required to install flowmeters at the inlet of each receiving pipeline.
- (d) All terminals are required to install Automatic tank gauging at each storage tank
- (e) All devices including the flow meters, Automatic tank gauging which are connected to the SCADA or help the SCADA to get data from the terminals shall be on and operational at all times.
- (f) The terminal operators/owners are not allowed to switch off the devices or perform any maintenance without seeking approval from the Agency.



- (g) All terminals shall provide access to the Agency and Other Government Authorities for physical verification of all equipment's and Software's connected to the Agency's SCADA.
- (h) All terminals shall provide all required data and information regarding equipment's and software's connected with the Agency's SCADA.

26.1. Guideline for managing SCADA and the connected devices and software

The guidelines operating and managing all the operations related to the SCADA and connected/linked devices and software at the receiving terminals are provided in the

- i. Petroleum Products discharge and backloading monitoring system guidelines/work instructions
- ii. Guidelines on Acquisition, installation, commission and use of flow meter in Petroleum product discharge, backloading and transfer operations
- iii. Preventive incidental and routine maintenance plan.

26.2. Penalties for tempering with terminal devices connected to SCADA

Notwithstanding the penalties specified in the Petroleum (Bulk Procurement) Regulations or any other applicable legal instrument any person who changes the configuration, switch off or conduct any malpractice on/in the devices or software which are connected to the SCADA shall pay a penalty of 20% of the value of the product estimated to be obtained through such conducts, return all the petroleum products obtained, and the terminal shall not be allowed to receive petroleum products until the default has been corrected.

27. STANDARD OPERATING PROCEDURES

All operations which do not require specific guideline or standards operating procedures shall be managed in line with the STANDARD OPERATING



PROCEDURES (SOPs) FOR PETROLEUM PRODUCTS DISCHARGE, RECEIPTS AND TRANSFER.

28. CONSULTATIVE PROCESSES

The consultative process in the bulk procurement system shall be in the manner provided below.

28.1. Aspects which Require Board's Involvement

- a) The Board may consider forming Board Sub-committees to deliberate on and ensure that all consultative processes are handled by the Board members with appropriate skills and competences.
- b) For better carrying of its responsibilities the Board may co-opt staff from the registered OMCs with the required expertise to advice on complex situations that may be beyond the expertise of the board members.
- c) In the event of a national crisis in the supply of petroleum persisting for more than a month a consultative meeting between the Ministerial Advisory Board and the stakeholders may be held at the invitation of the Minister.

28.2. Operational Issues

- a) The Agency shall when need be and when it will be deemed appropriate form committee to perform any function as shall be directed by the Agency's Board or Authority.
- b) The Agency shall, when need be, facilitate negotiations between OMCs and other stakeholders on matters which fall under the Bulk Procurement System.
- c) The Agency shall conduct weekly stakeholders meeting for the purposes of discussing operational issues and updating stakeholders on-going or completed key activities under the Bulk Procurement System.



29. CORRESPONDENCES

Correspondences between the Agency and other stakeholders shall be in the manner provided below;

29.1. Incoming Letters

All incoming letters/documents will be registered and kept safely by the Agency's registry officer in a trackable manner.

29.2. Outgoing Letters

- a) All outgoing letters/documents must get approval of the Executive Director, and have to be registered using the reference from the Agency.
- b) Correspondences from the Board shall be signed by the Chairman of the Board or any other director and the Executive Director.

29.3. Email correspondences

- a) The Agency staff shall in their day-to-day operations communicate with other stakeholders via emails.
- b) Letter to be sent by the Agency or to the Agency can first be sent via email and hard copies to follow.
- c) Correspondences via email are binding.

30. CONFIDENTIALITY AND CONFLICT OF INTEREST

Confidentiality and conflict of interest matters shall be handled in the manner provided below;

30.1. Confidentiality

The Agency has an obligation to maintain confidentiality of all confidential information received by the Agency from stakeholders.



30.2. Conflict of Interest

- a) The personnel of the Agency shall not, without the prior consent and written approval of the Board, be directly or indirectly, commercially involved with or hold interest in any other business which competes with, a supplier and/or major customer of the company as per the general company policy.
- b) A member of the Board shall not participate in his advisory role, in the matter in which he/she has direct or indirect interest.

31. HANDLING OPERATIONAL COMPLAINTS

All complaints lodged to the Agency shall be dealt with promptly and within the time limits provided in the working documents. However, complaints over and above the Agency's mandate shall be escalated to the Authority.

32. MONITORING AND EVALUATION

For smooth implementation and improvement of the bulk procurement of petroleum product, monitoring of the contractual performance and adherence of the law governing Bulk Procurement System by the significant parties will be carried as indicated below;

- a) Monitoring of Contractual Performance goes hand in hand with taking appropriate measures as per the contract and other legal instruments. The Agency shall take appropriate action to safeguard BPS operations.
- b) The Agency shall compile a formal report at the end of every Supply Contract/ period evaluating performance of all contractual obligation and compliance with the laws governing bulk procurement of petroleum products by all concerned parties as provided below;



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- i. Supplier – Delivery Date Range, Volume losses, supply of documentation, quality, demurrage claims, and supply of product within approved specifications, delays during discharge (vessel operations).
 - ii. OMC (– e.g., LC opening, delays in discharge, payment of levies/ fees/contribution and penalties charged by the Government institutions operating under BPS’)
 - iii. PBPA performance – providing necessary information and taking appropriate actions as required by the contract.
 - iv. TBS- Issues related to testing and issuing quality certificates.
 - v. TPA- Management of discharge operations.
 - vi. WMA- Measuring and issuing certificate on imported quantities and quantities received by individual importers.
- c) After consultation with the Ministry responsible for Petroleum Affairs and the Authority any supplier or surveyor who is found to have contravened Petroleum Bulk Procurement Regulations and to have engaged in gross misconduct shall be dealt in line with the applicable laws.
- d) After the completion of performance of the contract with the supplier or the surveyor, the Agency with the respective parties shall sign a clearance form acknowledging completion of performance of all obligation under the contract. In the event there are pending obligations it should be clearly stated which obligations are still pending.

33. REVISION AND AMENDMENT OF THE BIDDING DOCUMENTS AND CONTRACTS

- a) Revision and amendment of the key terms of the contract shall be done in consultation of all parties involved in the Petroleum Bulk Procurement System (TRA, EWURA, TBS, WMA, Suppliers, OMCs, Surveyors, and Banks and Financial Institutions etc). The agreed revised version of the contract shall be



used until such other time when there will be need to revise and amend the contract.

- b) Amendment of the contracts based on the operational requirements such as change of delivery date range; increase or decrease of volumes shall be affected vide Addendum signed by both parties consenting the alterations.

Notwithstanding contents of paragraph 31 (a) and (b) the Agency can make amendments to the shipping and supply contracts in order to accommodate operational needs and correct minor mistakes such as spelling mistakes, numbering and cross referencing. Provided that such changes shall not affect key terms of the contract, the approved tendering schedule and modality, product specification, and pricing mechanism. The Agency shall inform the Minister and the Authority the amendments made to the shipping and supply contracts and the rationale of doing so.

34. FEES AND CHARGES

- a) As required by Regulation 27A (1) and (2) of the Petroleum (Bulk Procurement) (Amendment) (Government Notice No. 40 of 2024) the Suppliers and OMCs shall for every litre of petroleum products imported through BPS pay contribution as a service fee as provided below;
 - i. The OMCs shall pay Tsh 1.0 for every litre of petroleum product imported through BPS.
 - ii. The Suppliers shall pay Tsh 2.5 for every litre of petroleum products imported through BPS (The supplier shall be invoiced in USD per MT).
- b) An OMC applying to be registered by the Agency shall be required to pay registration fees of Tshs. 5,000,000/= (Five million shillings only) as approved by the Minister responsible for Petroleum affairs.
- c) A supplier applying to be prequalified by the Agency shall pay prequalification fees as stated below;
 - i. USD 5000 for international companies for the first year and USD 1000 as validation fee for second and third years respectively.



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- ii. Tsh 5,000,000 for local Company (OMCs) for the first year and Tsh 2,500,000 as validation fee for second and third years respectively.
- d) A supplier of a non-BPS vessel shall pay USD 20,000 for SPM and USD 10,000 for KOJ, TANGA and MTWARA as supervision fee.

35. PENALTY

Any person or institution that distorts the functioning of the BPS or endangers the functioning of the competitive supply system or causes the Agency not to function as required shall be liable to a fine prescribed in the Schedule of the Petroleum (Bulk Procurement) Regulation, 2017 GN No. 198 of 2017 or as shall be amended from time to time.

36. DISPUTES SETTLEMENT AND GOVERNING LAW

Disputes shall be settled in line with the guidelines provided below;

- a) All disputes will be resolved as stipulated in the contracts.
- b) Disputes between parties which are by law required to be handled in the first instance by the Authority shall be dealt with as such.
- c) In case of any dispute which is not subject to the Authority 's jurisdiction, the parties may find redress with respect to such dispute as per the Arbitration Act 2020
- d) Based on the nature of the litigation, the Agency might be required to engage external lawyers. Any decision to engage external law firm shall be approved by the Solicitor General.
- e) The contracts entered as a result of this manual shall be constructed in accordance with the governing laws of Tanzania.

37. REVIEW AND AMENDMENT OF THE MANUAL



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- (a) Amendments to BPS operations manual are required whenever the contents no longer accurately reflect the operations requirement and the industry practices.
- (b) Amendments are necessary whenever changes occur in the following areas:
 - i. Operating conditions or procedures; or
 - Change of law.
- (c) The review and amendment of the manual shall be done through a consultative process which will involve all stakeholders in the petroleum industry and shall be done after three years or earlier, provided there is a significant change in BPS implementation.
- (d) All amendments shall be vetted by the Authority and approved by the Minister responsible for petroleum affairs.

38. BINDINGNESS OF THE MANUAL

This manual shall be binding to all STAKEHOLDERS whose operations are covered by the manual.

The Agency shall enforce and monitor adherence to the manual and take appropriate actions for matters which are within the Agency's mandates and notify the Authority for matters which are not within the Agency's mandate in order for the Authority to take appropriate measures as required by law

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HON. DR. DOTO MASHAKA BITEKO

DEPUTY PRIME MINISTER AND MINISTER FOR ENERGY

..... February, 2024



39. APPENDIX 1 SPECIFICATIONS FOR THE PRODUCTS

SPECIFICATIONS FOR THE PRODUCTS SHALL BE AS SHALL BE PROVIDED BY TBS

40. APPENDIX 2 SHIPPING AND SUPPLY CONTRACT FOR AGO

41. APPENDIX 3 SHIPPING AND SUPPLY CONTRACT FOR MOGAS

42. APPENDIX 4 SHIPPING AND SUPPLY CONTRACT FOR JET A1 AND KEROSENE

43. APPENDIX 5 SHIPPING AND SUPPLY CONTRACT FOR COMBI DAR & MTWARA

44. APPENDIX 6 SHIPPING AND SUPPLY CONTRACT FOR COMBI DAR & TANGA

45. APPENDIX 7 SHIPPING AND SUPPLY CONTRACT FOR COMBI TANGA

46. APPENDIX 8 IMPORTATION AGREEMENT BETWEEN THE AGENCY AND OMC

47. APPENDIX 9 STANDARD OPERATING PROCEDURES FOR EQUAL PRICING