

Call for nominations - Global Logistics Service Provider and Transport Insurance

ITER is a joint international research project that aims to demonstrate the scientific and technological feasibility of fusion energy for peaceful purposes. The members involved in ITER are China, the European Union, India, Japan, Korea, Russia and the United States. ITER is being constructed in Europe, at Cadarache in the South of France.

All contributing members have signed an international treaty (the "ITER Agreement") in 2006 establishing the ITER Organization. According to this ITER Agreement, the ITER Members will provide both in kind components and funds to procure equipment and services in order to build the ITER Tokamak, buildings and infrastructure.

The construction of the ITER Tokamak and its associated plant systems represent one of the world's largest and most ambitious projects in terms of scope, cost and schedule.

Each ITER Member has established a Domestic Agency (DA) to manage the procurement and supply of the components within their scope.

Further details of the project can be found on the ITER website: www.iter.org.

The ITER Council, which consists of government representatives from each ITER Member, has endorsed a global approach for the transportation and insurance of the largest ITER components. Therefore, the ITER Organization seeks to place a Framework Contract with a Global Logistics Service Provider (LSP). This Framework Contract will be signed by the ITER Organization and used by the ITER Organization and all DAs for their global transport, logistics and insurance needs. The ITER Organization shall manage this Framework Contract and shall ensure coordination.

The Framework Contract is envisaged to cover the entire construction period, currently planned to take place between 2011 and 2019.

The LSP shall establish an organizational structure and the necessary technical competencies to manage the loads to be shipped and to provide Logistics Supply Chain services, including managing, planning and performing the services in each ITER member country. The LSP will setup a core team reporting to and coordinating with the ITER Organisation, and will have an agent (representative/office, etc.) in each ITER Member country or is willing to setup such an agent in each ITER Member country.

The LSP will need to demonstrate a proven worldwide ability to move all types of cargoes, have an effective infrastructure in all the ITER Member countries to deliver support services within the supply chain and shall be responsible for managing all shipping plans from A to Z, including but not limited to:

- Heavy lift transportation and freight movements;
- Preparation, negotiation and management of sea and air charter contracts for the heavy and over dimensional components;
- Chartering operations and vessel management;
- Freight forwarding services covering all modes of transportation;
- Handling Dangerous/hazardous cargoes throughout the supply chain;
- Insurance;
- Customs legislation and procedures;
- Awareness of the legislation affecting the movement of project cargoes globally;
- Storage and warehousing.

The LSP shall manage and provide all needed transport and insurance services. This service will begin at the loading facility or factory floor of each supplier and will continue using all means of transport across national boundaries as required until the loads are unloaded at their final delivery location.

All transportation modes can be envisaged, including ocean freight, airfreight, road freight, rail freight and river/canal freight. This will involve many shipments, including a significant number of project heavy lift and abnormal loads, which will have to be moved from the originating DA to the ITER site. The components to be supplied by the DAs to the ITER Site are as follows:

- Highly Exceptional Loads (HEL, around 200 transports);
- Conventional Exceptional Loads (CEL, around 2000 transports);
- Container freight and conventional/break-bulk shipments including courier and full load truck movements (FTL) and Less than Truck Load (LTL) deliveries (large but currently undefined number).

The HEL constraints of weight, volume or dimension have imposed a special road itinerary (which has been constructed) from the designated port of entry in France (Fos-sur-Mer/Berre) to Cadarache. This itinerary supports HEL loads up to the following dimensions:

- 19 m long (except for 4 crane beams: 46.9 m on a single line);
- 9 m wide;
- 9.1 m high;
- Maximum mass of 600 tons.

The LSP shall develop the necessary systems for the tracking of loads while in the LSP's care, custody and control. The LSP shall develop the loading, receiving, identifying, tracking, reissuing and reporting systems. These systems shall be compatible with and transmit data into corresponding systems to be used by the ITER Organization.

The service shall include temporary storage at originating country marshalling yards (at least at shipment ports) and at warehouse(s) around Cadarache, while waiting for ITER site delivery instructions. The LSP shall operate two staging areas to be provided at Fos-sur-Mer and Berre (France).

The LSP shall neither manage nor perform any radioactive transport.

The LSP shall continuously review all shipping activities and recommend to the ITER Organization and the DAs the "best value" course of action required with due regard to time, schedule and cost implications.

Concerning insurances, the LSP, its partners/associates/subcontractors/etc., shall obtain, at their own expense and cost, suitable insurances policies in respect of the following:

- Professional liability, including contractual liability (including non material damages in case of late delivery), logistic liability and negligence;
- General third parties' liability;
- Third party or neighbour recourses;
- Charter liability when required;
- Customs agent liability when required;
- Property damages insurance when premises are owned, hired, or occupied by the LSP.

An Ad Valorem insurance for entrusted loads ("Global Transport Insurance") shall be provided in accordance with the following terms and conditions:

- "All Risks" insurance conditions including any and all material damages, such as general average, losses, theft, fire, explosion, handling damages, falling of racks, water damages, storm, hail, snow,

impact of land vehicles (or parts thereof) belonging to third parties, falling air or space craft, strikes, riots, civil commotions, war risks, terrorism, malevolence, vandalism ...;

- Automatic insurance coverage for all the loads and all the shipments;
- Intermediate storage shall be covered at same conditions and without any limit of time.

The Framework Contract shall be dividing into two lots as follows:

- Lot 1 – Global Logistics Service Provider
- Lot 2 – Global Transport Insurance

Additionally the ITER Organization may add an option where the LSP can be requested to provide on-site logistics services during the construction period, including on-site transport, lifting and storage.

These lots may be awarded to a single company or a consortium.

The companies can bid for lot 1 or 2 or both of them. In case of bidding for lot 1 only, the Logistics Service Provider shall take overall responsibility for ensuring coordination and information transfer to the other company in charge of the Global Transport Insurance.

The indicative schedule of the tender process is:

- Call for nominations (June 2010)
- Pre-qualification (July 2010)
- Call for tender (August - November 2010)
- Contract signature (January 2011).