

KOLKATA PORT TRUST
HALDIA DOCK COMPLEX

T.O. (Sh&CH) Division
Operational Building
Chiranjibpore

No. MTO/G/115N/1365

Sept 05, 2016

Trade Circular

Re: Introduction of Berthing Policy at Haldia Dock Complex for handling dry bulk cargo

Ministry of Shipping, Government of India has issued Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 and this was circulated to All Major Ports with timelines for its implementation. The said policy is also available in the Ministry's website for information of all stakeholders.

2. The aforesaid policy has been issued having standardized guidelines for all Major Ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. The policy also recommends penalties & incentive structure to be adopted by all Major Ports based on the performance norms. The policy further states that Major Ports are required to adopt these guidelines for their specific port and institute penalties & incentives linked to the performance norms as part of the overall berthing policy. In addition, the policy also stipulates guidelines for levying anchorage charges to reduce turn-around time of vessels.
3. In view of the above, at Haldia Dock Complex the performance norms for loading / unloading of various dry bulk cargo through mechanized system / MHC's / ships gear have been calculated based on the guidelines given in the said policy. At HDC apart from BOT berths (No. 4A & 12 where the policy is not applicable), dry bulk cargo is primarily handled at Berth Nos. 2, 4, 4B, 8, 9 & 13. While at Berth No.4 thermal coal is loaded through fully mechanized system, various dry bulk cargo is unloaded through MHCs at Berth Nos. 2, 4B and 8. At berth no.9 & 13 clean dry bulk cargo is handled in conventional method using ship gear. However, at Berth No. 13 MHCs are likely to be installed by October, 2016 after which clean dry bulk cargo will be handled at the said berth using MHCs.
4. As per the contract with the MHC provider at Berth Nos. 2, 4B, 8 & 13 (after installation of MHCs) the minimum guaranteed throughput for all types of dry bulk cargo (irrespective of the nature of the commodity) is 10, 000 MT per MHC per berth-day excluding detentions. Since two MHCs have been installed at each berth the minimum guaranteed ship-day productivity at each berth is **20,000 MT** and the same has been considered as the performance norms for all types of dry bulk cargo at MHC equipped berths.
5. For fixation of performance norms for unloading of dry bulk cargo in conventional methods using ships gears the average crane cycles per hour & average picking factor have been considered as 12 & 0.75 respectively as dry bulk cargo carrying vessels are always calling HDC with 35% to 40% of the full load quantity due to draft constraints. In the said premises the average ship day productivity of various dry bulk commodities handled through ship's cranes considering 4 working cranes per vessel and 22.5 hours working time per day has been calculated and furnished below in the following table:

Sl. No	Commodity	Bulk Density	Average crane cycles per hour	No. of cranes per vessel	Grab size in CBM	Average picking factor	Productivity per hour per ship's crane	Productivity per vessel per day considering working time as 22.5 hours (MT)	Performance norms (MT)	75% of Performance Norms (MT)
1	Coal	0.85	12	4	12	0.75	91.8	8,262	8,300	6,225
2	Met Coke	0.80	12	4	12	0.75	86.4	7,776	7,800	5,850
3	Limestone	1.40	12	4	12	0.75	151.2	13,608	13,700	10,275
4	Manganese Ore	1.20	12	4	10	0.75	108.0	9,720	9,800	7,350
5	Iron Ore	2.00	12	4	8	0.75	144.0	12,960	13,000	9,750
6	Fertilizer	0.80	12	4	12	0.75	86.4	7,776	8,000	6,000
7	Cement Clinker	1.50	12	4	12	0.75	162.0	14,580	14,600	10,950
8	Gypsum	1.50	12	4	12	0.75	162.0	14,580	14,600	10,950

The above ship-day productivity has been calculated based on the average availability of 4 cranes. However, if the availability of the number of cranes gets reduced the productivity of the ship will also get proportionately reduced. Similarly, if the grab size is less than or more than 8/10/12 CBM then the productivity norms will be reduced / increased proportionately.

Apart from the above commodities, if other types of dry bulk cargo are handled then the performance norms will be calculated based on the above approach considering its bulk density.

6. However, the average ship-day productivity of the dry bulk cargo vessels handled during the last 3 years at Berth No. 9 is only 50% of the norms calculated above. It is therefore considered that during the first year after introduction of the policy, the targeted norms for handling dry bulk cargo vessels at Berth No. 9 will be fixed at 75% level of the norms calculated. The said norms for handling dry bulk cargo at Berth No. 9, for the first year of introduction is shown in the last column of the above table. However, from second year onwards 100% of the calculated norms will be considered as the performance norms and the same will be applicable for determination of penalty / incentives in respect of handling of dry bulk cargo vessels at Berth No. 9.
7. Apart from Berth No. 4, dry bulk cargo is generally not loaded at any other berth at the moment. However, in the event dry bulk cargo is loaded either at MHC equipped berths or at conventional berths using ship's cranes then the same performance norms applicable for unloading of dry bulk cargo will be considered.
8. However, if the above productivity norms are not achieved penalty will be levied on the vessel. Similarly, if the performance achieved is higher than the stipulated norms incentives will be paid to the vessel for better performance.
9. For fixing penalty / incentive norms at Berth No. 9 in case of handling dry bulk cargo using ship's gears, the actual working period vis-à-vis the stipulated working period (calculated based on the performance norms) has been considered and the penalty / incentives will be levied at the following rates on the Vessel's Owners / Agent(s):

- (i) If the actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) remains within 5% (higher or lower) of the stipulated time for that commodity, then no penalty / incentive will be levied / paid.
- (ii) In cases where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) exceeds 5% of the stipulated time for that commodity, penalty will be levied @ 2 times of the normal berth hire charges for additional hours taken to complete the ship's cargo operation.
- (iii) In cases where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) is lower than the stipulated time by more than 5% of the same then incentive will be paid at the rate of berth hire charges for every additional hour saved.

Note: for purpose of calculation of time for computation of penalty / incentives, fraction of an hour will be considered as full hour.

In computing actual performance achieved by each ship for the purpose of calculating penalty / incentive, any stoppage of operations on account of port-related or weather related issues will be discounted. Such exclusions are listed below:

- Break-down / non-availability of port provided equipment at berth
- Weather related stoppage
- Shifting of ships between berths on account of port.
- Time consumed for each draft surveys upto a maximum period of 30 minutes.

Time lost due to stoppage of work for any other reasons will be excluded for calculation of performance norms, only with the approval of the Chairman.

10. At Berth Nos. 2, 4B, 8 & 13 (after installation of MHCs) there are already provisions for imposition of penalty / payment of incentives in the contract (between the MHC provider & KoPT). The said penalty / incentive norms are furnished below. At these berths no other penalty / incentive norms will be applicable.

(a) Penalty Norms:

The contractor shall have to ensure output of minimum of 20,000 MT of dry bulk cargo per ship berth-day by using two MHCs. In the event the contractor is advised by KoPT to operate a vessel with the help of one MHC the corresponding minimum level of productivity (MLP) will be 10,000 MT per ship berth-day.

In the event of non-fulfilment of the MLP for handling dry bulk cargo as stipulated above the payment to the contractor will be released in the following manner:

- (i) Where the vessels operations are carried out by TWO MHCs as per direction of KoPT

Ship berth day output actually achieved per vessel basis	Amount payable to the contractor as percentage of accepted rate
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From 18,000 MT to 19,999 MT	90%
From 16,000 MT to 17,999 MT	80%
From 14,000 MT to 15,999 MT	60%
Less than 14,000 MT	40%

(ii) Where the vessels operations are carried out by ONE MHC as per direction of KoPT

Ship berth day output actually achieved per vessel basis	Amount payable to the contractor as percentage of accepted rate
From 9,000 MT to 9,999 MT	90%
From 8,000 MT to 8,999 MT	80%
From 7,000 MT to 8,999 MT	60%
Less than 7,000 MT	40%

(b) Incentive Norms:

Incase the contractor achieves ship berth day output more than the minimum level of productivity (MLP), in any vessel then he will be paid incentive @ the 10% of the accepted rate only on the additional cargo which will be handled as a consequence of ship berth day output to be achieved by the contractor over and above the MLP.

For the purpose of computation of incentives payable to the contractor, the total operational time lost due to reasons not attributable to the contractor as well force majeure events will be deducted from the vessel's operation time.

11. With a view to reduce pre-berthing delay and overall turnaround time (TAT) of vessels at HDC, anchorage charges will be levied when a ship, after calling and allocation of pilots, refuses to call at the Port or lighterage point due to the reason attributable to the vessel /importer / exporter. Such charges will be leviable at the following rates:

Idling Time	Applicable penal charges
For first 48 hours after calling the vessel	10 % of the applicable Berth Hire Charges as per SoR for the entire duration of waiting since the vessel was initially called
after 48 hours & upto 96 hours	25 % of the applicable Berth Hire Charges as per SoR for the entire duration of waiting since the vessel was initially called
After 96 hours till boarding of pilot	50 % of the applicable Berth Hire Charges as per SoR for the entire duration of waiting since the vessel was initially called

Note: Idling period is to be considered from the time when the vessel is initially called till actual pilot boarding time.


12. Penalty will be imposed at the following rates for idling of vessels at Saugar and other lighterage points where the vessel(s) are scheduled to lighten their cargo for achieving Haldia draft.

Idling Time	Applicable penal charges
For first 48 hours	25% of the applicable Berth Hire Charges as per SoR for idling of vessels for every hour or part thereof.
More than 48 hours	50% of the applicable Berth Hire Charges as per SoR for idling of vessels for every hour or part thereof for the entire period.

Note: The record pertaining to idle time will be maintained by Harbour Master (River), KoPT.

Port can exempt vessels from paying anchorage charges in exceptional circumstances and the same will require approval of the Chairman.

13. The performance, penalty / incentive norms and anchorage / penal charges as detailed above will be effective from 01.10.2016 for a period of six months on trial basis after which the same will be reviewed. The proposal in this regard is being sent to Tariff Authority for Major Ports (TAMP).


 (S.K. Saha Roy) *Gafic.*
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