

OIL INDIA LIMITED
(A Govt. of India Enterprise)

RAJASTHAN PROJECT
12, OLD RESIDENCY ROAD
JODHPUR- 342011
RAJASTHAN, INDIA

FAX : 0291-2431689

E-mail: mat_rp@oilindia.in

FORWARDING LETTER

Tender No. : JCO 8795 P09

To
M/s
.....
.....
.....

Sirs,

Document Srl. No. :
Money Receipt No. :
Tender Fee :	Rs. 8,000.00 OR US \$ 200.00
Signature of issuing Officer

Sub: Hiring of Mud Engineering Services

In connection with our Invitation of Bids, we enclose a complete set of Bid Document covering OIL's Tender for **Hiring of Mud Engineering Services**. For your ready reference, few salient features (Covered in details in this bid document) are highlighted below.

- i) Our Tender No. : JCO 8795 P09 dated 11.04.2008
- ii) Type of Bid : **Single Stage Two Bid System**
- iii) Bid Closing Date & Time : **15:00 hrs (IST) on 20th May, 2008**
- iv) Bid Opening (Technical) Date & Time : 15:15 hrs (IST) on 20th May, 2008
- v) Bid Opening Place : Group General Manager's Office at **Jodhpur**
- vi) Place of Submission of bid : OIL INDIA LIMITED,
12, Old Residency Road,
JODHPUR - 342 011,
RAJASTHAN (INDIA).
- vii) Amount of Bid Security : **Rs. 1,90,000.00 or US \$ 4,750.00**

- viii) Amount of Performance Security : 10 % of the Estimated Agreement Value
- ix) Mobilisation Period : Within 90 days (maximum) from the date of issue of letter of award (LOA) by Company.
- x) Amount of Liquidated Damage for default in timely Mobiliosation : Liquidated damages shall be applicable @ 0.5% of the estimated agreement value for delay in mobilization per week or part thereof subject to maximum of 7.5%.
- xi) Duration of Contract : Two (2) years with a provision for extension by further one year or less at the same rates, terms and conditions at OIL's option.

We now look forward to receiving your most competitive offer in line with the tender terms well within the bid closing date and time.

Thanking You

Yours faithfully,
OIL INDIA LIMITED

(P. DAS)
CHIEF MANAGER (M&C)
FOR GROUP GENERAL MANAGER (RP)

SECTION-I

INVITATION FOR BIDS

Oil India Limited (OIL) invites International Competitive Bids for the following services from reputed and eligible bidders under Single Stage Two Bid System for its Rajasthan Project.

Tender No. : JCO 8795 P09 dated 11.04.2008
Bid Closing Date & Time : 20th May' 2008 (15:00 Hrs. IST)
Tender Fee : Rs. 8,000.00 OR US \$ 200.00
Bid Security : Rs. 1,90,000.00 OR US \$ 4,750.00

Services : Hiring of Mud Engineering Services for drilling of oil/gas wells in Rajasthan, India for a period of two (2) years, with a provision for extension up to one more year at the same rates, terms and conditions at the discretion of OIL.

Non-transferable bid documents can be obtained from any of the following offices of OIL on application and payment of non-refundable tender fee (PSU & SSI Units are exempted) as indicated above through crossed demand draft drawn in favour of Oil India Limited and made payable at Jodhpur/Kolkata/New Delhi. Tender documents will be on sale from 16th April, 2008 till one day prior to the scheduled Bid Closing Date.

- (i) Group General Manager (RP), Oil India Limited, Rajasthan Project, 12-Old Residency Road, Jodhpur – 342 011
- (ii) Sr. Advisor (C&P), Oil India Limited, Plot No. 19, Sector-16A, Noida – 201301
- (iii) Head (Kolkata Branch), Oil India Limited, 4-India Exchange Place, Kolkata – 700001

OIL reserves the right to refuse issue of tender documents to such parties about whose competence, OIL is not satisfied. Company's decision in this regard shall be final. OIL also reserves the right to reject any/all bids and cancel the tender without assigning any reason whatsoever.

-: Please visit us at www.oil-india.com :-

(END OF SECTION – I)

SECTION – II

INSTRUCTIONS TO BIDDERS

A. Introduction :

1.0 Rajasthan Project of Oil India Limited (OIL), a Govt. of India Enterprises, is engaged in exploration and production of Natural Gas from the Jaisalmer Basin and exploration for heavy oil/Bitumen in Bikaner-Nagaur Basin of Western Rajasthan in India. In addition, the Company is carrying out various exploration activities in Rajasthan (India) in five (05) NELP Blocks as Operator under PSC agreement with Govt. of India.

1.1 The Project Office of OIL at Jodhpur is well connected with Road, Rail & Air.

1.2 In connection with its exploration activities in Rajasthan (India) in various NELP Blocks, Company invites Bids from eligible and internationally reputed bidders for providing Mud Engineering Services by deploying competent and experienced Mud Engineers at Rig site to facilitate drilling of oil/gas wells, for an initial period of two years with a provision for further extension up to maximum one more year at the same rates, terms and conditions at the discretion of Company, depending on actual field requirements.

B. The Bid Documents

2.0 Bid Document/Tender Document

2.1 The services required, bidding procedures and contract terms are prescribed in the Bid Document. This Bid document includes the following:-

a) A Forwarding Letter highlighting the following points:-

- i) Tender Number of Oil India Limited
- ii) Bid closing date and time
- iii) Bid opening date, time and place
- iv) Place for submission of Bid
- v) The amount of Bid security
- vi) The amount of performance guarantee
- vii) Quantum of liquidated damages for default in timely mobilization and acquisition of data within the specified time schedule.

- b) Invitation for Bids (Section-I)
- c) Instructions to Bidders (Section-II)
- d) General Conditions of Contract (Section-III)
- e) Terms of Reference/Technical Specifications {Section-IV}
- f) Special Conditions of Contract {Section-V}
- g) The Bid Security Form (Section-VI)
- h) The Performance Security Form (Section-VII)
- i) The Contract Form (Section-VIII)
- j) Bid Form and Price Schedule (Section-IX)
- k) Bid Evaluation Criteria/Bid Rejection Criteria (Section-X)

2.2 The bidders are expected to examine all instructions, forms, terms and specifications in the Bid Document. Failure to furnish all information required by the Bid Document or submission of a Bid not substantially responsive to the Bid Document in every respect will be at the Bidder's risk and responsibility and may result in the rejection of its Bid.

2.3 This Bid document/Tender document is not transferable. Interested Bidders have to purchase the Bid Document in their name to qualify for bidding. Offers received from bidders who have not purchased the tender document will be rejected outright.

2.3 The bidder shall bear all costs associated with the preparation and submission of its bid, and OIL will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

3.0 Clarifications on Bid Document

3.1 A bidder requiring any clarification on the Bid Document may notify Company, in writing. Company's mailing address indicated in the Invitation for Bids. Company will respond in writing only to any request for clarification of the Bid Document, which it receives not later than 15 days prior to the deadline for submission of Bids prescribed by Company.

4.0 Amendment to the Bid Document

4.1 At any time prior to the deadline for submission of Bids, Company may, for any reason, whether at its own initiative or in response to a clarification requested by a bidder, modify the Bid Document by amendment.

4.2 The amendment will be communicated in writing or by FAX to all bidders who have purchased the Bid Document and will be binding on them.

4.3 In order to allow bidders reasonable time, in which to take the amendment into account in preparing their Bids, the Company may, at its discretion, extend the deadline for the submission of Bids, and any such extension will be conveyed to all prospective bidders, who have purchased the bid document.

C. Preparation of Bids

5.0 Language of Bid

The Bid prepared by the bidder and all correspondence and documents relating to the Bid exchanged by the bidder and Company shall be written in English language, However printed literature furnished by the bidder may be written in another language so long it is accompanied by an English translation of its pertinent pages. In which case, for purposes of the interpretation of the Bid, the English translation shall prevail.

6.0 Documents Comprising the Bid

6.1 The bid should be prepared under **single stage two-bid system**. The Bid should comprise of "**Technical Bid**" (Un-priced) and "**Commercial Bid**" (Priced) separately.

6.1.1 The **Technical bid** (un-priced) should include the following;

- i) Complete technical details of the services for which the bid is submitted.
- ii) Documentary evidence in accordance with BEC/BRC (Section-X) to establish that the bidder is eligible to bid and is qualified to perform the contract if its Bid is accepted.
- iii) Any exceptions the bidder wishes to take to the general and special conditions of contract, excepting those referred in Bid Evaluation Criteria (BEC)/Bid Rejection Criteria (BRC) (**Ref Section-X**). Request for any exception/deviation to BEC/BRC will not be entertained.

iv) Bid Security furnished in accordance with paragraph 10.0 herein under.

v) Any other information/documents mentioned in the Terms of Reference vide **Section-III** and Bid Rejection Criteria/Bid Evaluation Criteria vide **Section-X**.

6.1.2 The **Commercial Bid** (Priced) will consist of the Bid Form (Proforma-I in Section-X) and the Price Schedule furnished in the bid document (Section-IX) and completed in accordance with paragraph 7.0 and 8.0 herein. It is also to be noted that both technical bid and commercial bid will be submitted together on or before the stipulated bid closing date. However, Company will evaluate the un-priced technical bid first. Commercial (Priced) Bids of the technically qualified bidders only, will be opened and evaluated subsequently.

6.2 **The technical bid that include any price details will be summarily rejected.**

7.0 Bid Prices

7.1 Prices quoted by the successful bidder shall be held firm during its performance of the contract and not subject to variation on any account. A Bid submitted with an adjustable price quotation will be treated as non-responsive and rejected. Subsequent increase in prices of commodities, if any will have to be borne by the bidder.

7.2 All duties, taxes and other levies including Service Tax and Customs Duty, if any payable by the successful bidder towards execution of this contract, shall be included in the rates/prices and total bid price submitted by the Bidder, and the evaluation and comparison of Bids shall be made accordingly. For example, payment of customs duty, port clearance, corporate tax, personal tax and service tax as per rules of the country will be made by the bidder and quoted prices are to include all these charges. The bidder will have to however, indicate in their price bid the break up of the various taxes and duties, which they have included in their quoted rates.

8.0 Currencies of Bid

8.1 A Foreign bidder expecting to incur a portion of its expenditure in the performance of the contract in Indian Rupees and wishing to be paid accordingly shall so indicate in its Bid. In such a case, the Bid shall be expressed in different currencies and the respective amount in each currency shall together make up the total price.

8.2 Indian bidders are permitted to quote in any currency (including Indian Rupees) and receive payments in such currencies at par with foreign bidders. However, currency once quoted will not be allowed to be changed.

9.0 Documents Establishing Bidder's Eligibility and Qualifications

9.1 To be eligible for award of contract, bidders shall provide evidence satisfactory to Company of their eligibility, capability and adequacy of resources to carry out the contract effectively. For this purpose, all Bids submitted shall include the following information :

- a) Copies of original documents defining the constitution or legal status, place of registration and principal place of business of the Bidder.
- b) Details of experience and past performance of the bidder on works of similar nature within the past five years, and details of on-going projects and other contractual commitments;
- c) The qualifications and experience of key personnel for administration and execution of the contract, both on and off site.
- d) Information regarding any current litigation in which the bidder is involved.

- 9.2 For the purposes of this particular tender, bidders shall have to meet the qualifying criteria as elaborated in Section-X under “Bid Evaluation Criteria/ Bid Rejection Criteria”.
- 9.3 In addition, the bidders shall submit documentary evidence that the services it promises to provide conform to the bid documents and shall describe in detail how the specifications are to be fulfilled.

10.0 Bid Security

- 10.1 Pursuant to paragraph 6.0 herein above, the bidder shall furnish, as part of its Technical Bid, Bid Security in the amount as specified in the "Forwarding Letter".
- 10.2 The Bid Security is required to protect the Company against the risk of bidder's conduct which would warrant forfeiture of security pursuant to sub-paragraph 10.7 hereunder.
- 10.3 The Bid Security shall be denominated in the currency of the Bid or another freely convertible currency, and shall be in the following forms:-
- a) A Bank Guarantee issued by a scheduled Bank located in India in the form provided in the Bid document (Ref. Section-VI for the format) and valid for 60 days beyond the validity of the Bid. The bank guarantee/Letter of Credit should be so endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan) India or alternatively at New Delhi, India.
 - b) A Cashier's Cheque or Demand Draft drawn on “OIL INDIA LIMITE” and payable at Jodhpur, Rajasthan (India).
- 10.4 Any Bid not secured in accordance with above-mentioned subparagraphs 10.1 and 10.3 will be rejected by Company as non-responsive.
- 10.5 Unsuccessful bidder's Bid Security will be discharged and/or returned as promptly as possible but not later than 60 days after the expiration of the period of Bid validity prescribed by Company.
- 10.6 The successful bidder's Bid security will be discharged upon requisite furnishing the Performance Security.
- 10.7 The Bid security may be forfeited-
- a) If any bidder withdraws its Bid during the period of validity of their bid including extension, if any ; or
 - b) If the successful bidder fails: –
 - i) to sign the contract in accordance with paragraph 26.0 hereunder;
or
 - ii) to furnish performance security in accordance with paragraph 27.0 hereunder.

NOTE : Public Sector Undertakings and Small Scale Units (SSI) registered with NSIC/ Directorate of Industries are exempted from submitting bid security against this tender.

11.0 Period of Validity of Bids

- 11.1 Bids shall remain valid for 120 days after the date of Bid opening prescribed by Company and as mentioned in the Forwarding Letter. Bids with inadequate validity will be rejected by Company as non-responsive.

11.2 In exceptional circumstances, Company may solicit the bidder's consent to an extension of the period of validity. In case of agreement to the request, the Bid security provided as per above-mentioned paragraph 10.0 shall also to be suitably extended. However, a bidder may refuse the request without forfeiting its Bid security. A bidder granting the request will not be permitted to modify its Bid.

12.0 Format and Signing of Bid

12.1 The bidder shall prepare three copies of both technical as well as priced bid clearly marking each "Original Bid" & "Copy of Bid", as appropriate. In the event of any discrepancy between the 'Original' and 'Copy', the 'Original' shall prevail.

12.2 The original and all copies of the Bid shall be typed or written in indelible ink and shall be signed by the bidder or a person or persons duly authorised to bind the bidder to the contract. The authorisation shall be indicated by written power of Attorney accompanying the Bid. All pages of the Bid, except for un-amended printed literature, shall be initialed by the person or persons signing the Bid

12.3 The Bid should contain no interlineations, erasures except as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons signing the Bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement shall be liable for rejection.

D. Submission Of Bids

13.0 Sealing and Marking of Bids

13.1 This tender is being processed according to single stage two - bid procedures. Bidders shall submit their Technical (un-priced) and Commercial (priced) bids sealed in separate envelopes & both put together in another sealed envelope in triplicate, not later than 15.00 HRS (IST) on the Bid closing date at the Company's address given in the "Forwarding Letter".

13.2 The Original and each copy of the bid should be sealed in an inner and outer envelope duly marking the envelopes as 'Original' and 'Copy'.

13.3 The inner and outer envelope containing the Technical & Commercial Bids should be sealed and must bear the following on the left hand top corner:

- i) Technical (un-priced) Bid and Commercial (priced) Bid (as the case may be)
- ii) Company's Enquiry Number No.
- iii) Bid Closing Date
- iv) Bidder's Name and address

13.4 If the outer envelope is not sealed and marked as required by para 13.3, the Company will assume no responsibility for misplacement of the Bids or premature opening of the bids submitted. Any bid consequently opened prematurely will be rejected and will be returned to the bidder.

13.5 Timely delivery of the bids is the responsibility of the Bidder. Offers should be sent as far as possible by Registered post. Company will not be responsible for any postal delay.

13.6 Telex/Cable/Fax /Email offers will not be accepted.

13.7 Indian Agents and Agency Commission

OIL INDIA LIMITED would prefer to deal with the bidders directly without involvement of agent in any manner in India or abroad or consultant or associate or other person howsoever described. However, in case the bidder insists having an agent/consultant or representative howsoever described, the bidder shall at the time of submission of the offer disclose full particulars/description of such agent/consultant or representative together with the precise role of such agency; commission, remuneration or charges agreed to be paid to them, the manner of payment, including permanent income tax account number of the agent in India.

13.8 It may be noted that such commission to the Indian agents would be payable only in non-convertible Indian Rupees as permissible under the Import Trade Control Regulations of this country. If no agency agreement exists, details of commission payable to any Indian Agency either under annual retainer-ship or any other alternative arrangements should be clearly mentioned in the bid.

13.9 Any Bid by such agent on behalf of their Principal will be rejected.

14.0 Deadline for Submission of Bids

14.1 Bids must be received by Company at the address specified in the forwarding letter not later than 15.00 Hrs on the Bid closing date mentioned in the "Forwarding Letter".

14.2 Company may, at its discretion, extend this deadline for the submission of Bids by amending the Bid Document in accordance with above-mentioned paragraph 4.0, in which case all rights and obligations of Company and bidders previously subject to the deadline will hereafter be subject to the deadline as extended.

15.0 Late Bids

Any Bid received by Company after the deadline for submission of Bids prescribed by Company, pursuant to above paragraph 14.0, will be rejected and returned unopened to the bidder.

16.0 Modification and Withdrawal of Bids

16.1 The bidder may modify or withdraw its Bid after the Bid's submission provided that written notice of the modification or Company receives withdrawal prior to the deadline prescribed for submission of Bids.

16.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and submitted to the company prior to the prescribed bid opening date. Such notice(s) must be signed by a person duly authorized by the bidder and the authorization shall be indicated by power of Attorney, which must also be submitted along with the modification/withdrawal notice.

16.3 No Bid will be modified subsequent to the deadline for submission of Bids.

16.4 No Bid will be withdrawn in the intervening period between the deadline for submission of Bids and the expiry of the period of Bid validity specified by the bidder on the Bid Form. Withdrawal of a Bid during this interval will result in the bidder's forfeiture of its Bid security.

E. Bid Opening and Evaluation

17.0 Opening of Bids by Company

- 17.1 Company will open the un-priced Technical and commercial Bids in presence of bidder's authorised representatives, who choose to attend at the time mentioned in the Forwarding Letter. The bidders representatives who are present shall be required to sign on documents to confirm attendance in the bid opening. After the Technical Bids are evaluated, Priced Bids of the technically qualified bidders will be opened on a predetermined date. The bidders whose Bids are technically qualified will be notified at least seven days in advance for attending the opening of their Priced Bids
- 17.2 The bidder's name, modifications, Bid withdrawals and the presence or absence of the requisite Bid security and such other details, as Company may consider appropriate will be announced at the opening. Likewise, Bid price and other commercial details will be announced at the opening of priced Bid.
- 17.3 Bids for which an acceptable notice of withdrawal has been received as per above-mentioned clause 16.0 shall not be considered for evaluation.

18.0 Clarification of Bids

To assist in the examination, evaluation and comparison of Bids, Company may, at its discretion, ask the bidder for clarifications of its Bid. The request for clarification and the response shall be in writing and no changes in the price or substance of the Bid shall be sought, offered or permitted.

19.0 Preliminary Examination

- 19.1 Company will examine the Bids to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Bids are generally in order.
- 19.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words shall prevail.
- 19.3 Prior to the detailed evaluation, Company will determine the substantial responsiveness of each Bid to the requirements of the Bid Documents. For the purpose of this clause, a substantially responsive Bid is one, which conforms to all the terms and conditions of the Bid documents without material deviation or reservation. A material deviation or reservation is one which affects in any substantial way the scope, quality, or performance of work, or which limits in any substantial way, in consistent with the bidding documents, the Company's right or the bidder's obligations under the contract, and the rectification of which deviation or reservation would affect unfairly the competitive position of other bidders presenting substantially responsive bids. Company's determination of a Bid's responsiveness is to be based on the contents of the Bid itself without recourse to extrinsic evidence.
- 19.4 **A Bid determined as substantially non-responsive will be rejected by Company.**
- 19.5 Company may waive any minor informality; non-conformity or irregularity in a Bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.

20.0 Conversion to Single Currency

To facilitate evaluation and comparison, Company will convert all Bid prices expressed in the amounts in various currencies in which the bid price is payable to Indian Rupees. The B.C Selling rate declared by State Bank of India one day prior to price bid opening will be taken into account for conversion of foreign currency into Indian Rupees. Where time lag between the opening of the price bids and final decision exceeds three months the B.C Selling rate of exchange declared by State Bank of India on the date prior to the date of final decision will be adopted for conversion.

21.0 Exchange Risk

21.1 Since Indian Bidders are permitted to quote in any currency and also to receive payment in that currency, Company will not be compensating the bidder for any exchange rate fluctuation in respect of the services provided under this Contract.

21.2 Loading of Foreign Exchange : There will be no loading of foreign exchange for deciding inter-se ranking of the domestic bidders.

22.0 Contacting Company

22.1 Except as otherwise provided in paragraph 18.0 hereinabove, no bidder shall contact Company on any matter relating to its Bid, from the time of the Bid opening to the time the contract is awarded.

22.2 Any effort by a bidder to influence Company in Company's Bid evaluation, Bid comparison or contract award decisions may result in the rejection of that bidder's Bid.

F. AWARD OF CONTRACT

23.0 AWARD CRITERIA

Company will award the contract to the bidder, whose Bid has been determined to be substantially responsive and to have offered the lowest evaluated cost, provided further that the bidder is determined by the company to be qualified to perform the contract satisfactorily.

24.0 REJECTION OF BID

Company reserves the right to accept or reject all Bids and to annul the bidding process and reject all Bids, at any time prior to award of contract, without thereby incurring any liability to the affected bidder, or bidders or any obligation to inform the affected bidder or bidders of the grounds for Company's action.

25.0 NOTIFICATION OF AWARD OF CONTRACT

25.1 Prior to the expiry of the period of Bid validity, Company will notify the successful bidder in writing by registered letter/ fax (to be confirmed in writing) that its Bid has been accepted.

25.2 **The notification of award will constitute the formation of contract.**

25.3 Upon the successful bidder's furnishing of performance security, Company will promptly notify each unsuccessful bidder and will discharge their Bid security, pursuant to paragraph 10.5 here in above.

26.0 SIGNING OF CONTRACT

- 26.1 After Company notifies the successful bidder that its Bid has been accepted, Company will send the bidder the Draft Contract incorporating all agreements between the parties.
- 26.2 Within 15 days of receipt of the Draft Contract document, the successful bidder shall return it to Company with their comments on it, if any and shall depute their authorised person having Power of Attorney to the office of OIL INDIA LIMITED at Jodhpur to sign the contract.

27.0 PERFORMANCE SECURITY

- 27.1 Within 30 days after Contractor's receipt of notification of award of the Contract, Contractor shall furnish Performance Security to Company in the Form of a Bank Guarantee as per format provided under Section - VII of the Bid Document, for in an amount as mentioned in the "Forwarding Letter" from a scheduled bank Located in India. The Bank Guarantee should be so endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan) or alternatively at the issuing bank's branch located at New Delhi, India.
- 27.2 The Performance Security specified above must be valid for a period up to at least three (3) months beyond the tenure of this contract to facilitate Company to lodge its claim, if any. Under normal circumstance, the Performance Security will be discharged by the Company not later than 30 days following its expiry. However, in the event of extension of contractual period beyond its initial validity, Contractor shall have to enhance the value of the performance security to cover 10% of the contract value for the extended period and also to extend the validity of the performance security accordingly.
- 27.3 The proceeds of the performance security shall be payable to Company as compensation for any loss resulting from Contractor's failure to complete its obligations under the contract.
- 27.4 Failure of the successful bidder to comply with the requirements of paragraph 26.0 & 27.1 shall constitute sufficient grounds for the annulment of award and forfeiture of the Bid security, in which event Company may award the Contract to the next lowest bidder or call new bids or negotiate with the next lowest bidder as deemed fit.

INVOCATION OF PERFORMANCE BANK GUARANTEE

- 27.5 In the event of Contractor failing to honour any of the commitments entered into under the contract and/or in respect of any amount due from contractor to Company, Company shall have an unconditional option under the guarantee to invoke the Performance Bank Guarantee and claim the amount from Bank.
- 27.6 Company will have the right to invoke the Performance Bank Guarantee in case the Contractor fails to mobilise the equipment within the stipulated period irrespective of any reasons whatsoever except force majeure.
- 27.7 The performance security shall be denominated in the currency of the Contract, or in another freely convertible currency acceptable to Company. The performance bank guarantee shall be valid till the completion of two months after expiry.
- 27.8 The performance security will be discharged by Company after successful completion of Contractor's performance obligations, including the warranty obligations, if any.

28.0 SECRECY OF BID DOCUMENT

Bidders shall not disclose the Bid document or any contents thereof, or any specification, plan drawing, pattern, information furnished by or on behalf of company in connection therewith, to any person other than a person employed by Bidder without prior permission of the Company. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary.

29.0 LIQUIDATED DAMAGES

In the event of the Contractor's default in timely mobilization for commencement of operations within the agreed period as stipulated in the contract, the Contractor shall be liable to pay liquidated damages @ 0.5% of the total evaluated contract cost for delay of each week or part thereof, subject to maximum of 7.5%. The Liquidated damages will be reckoned from the date after expiry of scheduled mobilization period till the date of actual commencement of contract as defined in the contract document. The Company also reserves the right to cancel the contract without any compensation whatsoever in case of Contractor's failure to mobilize and commence operation within the stipulated period.

(END OF SECTION-II)

SECTION-III

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS

1.1 In the Contract, the following terms shall be interpreted as indicated :

- a) The "Contract" means the agreement entered into between Company and Contractor, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein;
- b) The "Contract Price" means the price payable to Contractor under the Contract for the full and proper performance of its contractual obligations.
- c) The "Work" means each and every activity required for the successful performance of the services described in the Terms of Reference, Section-IV.
- d) "Company" means OIL INDIA LIMITED and its executors, successors, administrators and assignees.
- e) "Contractor" means the individual or firm or Company performing the "Work" under this Contract including its executor, successors, administrators and assignees.
- f) "Contractor's personnel" mean the personnel to be provided by the Contractor to execute the operations/services in consistent with the contractual provisions.
- g) "Company Personnel" mean the personnel to be provided by OIL or OIL's Contractor (other than the bidder). The Company representatives of OIL are also included in the OIL's personnel.
- h) "Company Representative" means the person or persons appointed and approved in writing from time to time by the Company to act on its behalf for overall co-ordination and project management at site.
- i) "Gross Negligence" as used in this contract shall mean "willful and wanton disregard for harmful, avoidable and foreseeable consequence".

2.0 EFFECTIVE DATE AND DURATION OF CONTRACT

2.1 The Contract shall become effective as of the date the Company notifies Contractor that they have been awarded the Contract i.e. from the date of issue of LOA (letter of award) by Company. The date and time of commencement of the contract will be reckoned from the date and time as certified by Company when the manpower to be deployed by the Contractor are positioned at the first designated location (Rig site) and ready to start the intended operations. This date will be treated as the date of mobilisation and the contract will remain in force for an initial period of two years thereafter or till the date of termination, whichever is earlier.

2.2 OIL reserves the right to extend the contractual duration further by one year (maximum) at the same rates, terms and conditions.

2.3 The rates will remain firm and the terms and conditions of contract will continue throughout the contractual period including extension, if any.

2.4 Notwithstanding the date of contractual expiry, if drilling operation is in progress in a particular well and validity of contract expires, the Contractor will continue to provide Mud Engineering Services till completion of that particular well, unless specifically directed otherwise by the Company in writing. Under such situation, Contractor will be entitled to receive payment at the contractual rates up to the actual date of job execution.

3.0 GENERAL OBLIGATIONS OF CONTRACTOR:

3.1 Contractor shall, in accordance with and subject to the terms and conditions of this Contract perform the work described in the Terms of Reference/Scope of Work.

3.2 Except as otherwise provided in the Terms of Reference and the special conditions of Contract, provide all labour and other personnel as required to perform the work successfully.

3.3 Perform all other obligations, work and services which are required by the terms of this Contract or which reasonably can be implied from such terms as being necessary for the successful and timely completion of the work.

3.4 Contractor shall be deemed to have satisfied itself before submitting its bid as to the correctness and sufficiency of its bid for the services required and of the rates and prices quoted, which rates and prices shall, except in so far as otherwise provided herein, cover all its obligations under the Contract.

3.5 Contractor shall give or provide all necessary supervision during the performance of the services and as long thereafter as Company may consider necessary for the proper fulfilling of Contractor's obligations under the Contract.

5.0 GENERAL OBLIGATIONS OF COMPANY:

5.1 Company shall pay Contractor in accordance with and subject to the terms and conditions of the Contract.

5.2 Allow Contractor and their personnel access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.

5.3 Perform all other obligations as required by the terms of the contract and practices followed in oilfield industries internationally.

6.0 CONTRACTOR'S PERSONNEL

6.1 Contractor warrants that it shall deploy competent, qualified and sufficiently experienced personnel to perform the work correctly and efficiently and shall ensure that such personnel observe all applicable safety requirements whether as required by Company or statutorily for oil field operations. Upon Company's written request, Contractor, at its own expense, shall remove immediately from assignment any Contractor's personnel determined by Company to be unsuitable and shall promptly replace such personnel with personnel suitable to Company.

6.2 The Contractor shall be solely responsible throughout the period of contract for providing all requirements of their personnel including but not limited to, their salary, leaves, en-route expenses, transportation/fare from their base up to Company's rig site for performance of this contract. Company shall not have any responsibility or liability in this regard till Contractor's personnel reach well site. Company will provide on site accommodation and food only for the Mud Engineers to be deployed by Contractor for performance of this contract during their stay at Company's drilling locations.

6.3 Contractor's key personnel (Mud Engineers) shall be fluent in English language (both in writing and speaking).

7.0 WARRANTY AND REMEDY OF DEFECTS

7.1 Contractor warrants that it shall perform the work in a first class, workmanlike and professional manner and that all work shall be performed in accordance with the highest quality, efficiency and current state of the art oilfield practices and in conformity with all specifications, standards and drawings set forth or referred to in the Terms of Reference/Scope of Work or elsewhere in the contract. They should comply with instructions and guidance, which Company may from time to time furnish to Contractor.

7.2 Should Company discover at any time during execution of the contract or within three months after completion of the operations that the work carried out by the Contractor does not conform to the foregoing warranty, Contractor shall after receipt of notice from Company, promptly perform the corrective work required to make the services conform to the warranty. Such corrective work shall be performed entirely at Contractor's expenses. If such corrective work is not performed within a reasonable time, the Company at its option may have such remedial work carried out by other agency (ies) and charge the cost(s) thereof to Contractor, which the Contractor must pay promptly. In case, Contractor fails to perform remedial works, the performance security shall be forfeited.

8.0 USE OF CONTRACT DOCUMENTS AND INFORMATION

8.1 Contractor shall not, without Company's written consent disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of Company in connection therewith, to any person other than a person employed by Contractor in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

8.2 Contractor, shall not, without Company's prior written consent, make use of any document or information except for purpose of performing the Contract. Contractors shall neither use themselves the results arrived out of this assignment nor share the same with any other person or firm without written consent from Oil India Limited.

8.3 Any document provided by the Company other than the Contract itself shall remain the property of Company and shall be returned (in all copies) to Company on completion of Contractor's performance under the Contract, if so required by Company.

9.0 LIABILITY

9.1 Except as otherwise expressly provided, neither Company nor its servants, agents, nominees, contractors, or sub-contractors, shall have any liability or responsibility whatsoever to whomsoever (including the owner) for loss or damage to the equipment and/or loss or damage to the property of Contractor and/or its contractors or sub-contractors, irrespective of how such loss or damage is caused unless caused by willful and gross negligence of Company and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Contractor shall protect, defend, indemnify and hold harmless Company from and against such loss or damage and any suit, claim or expense resulting there-from.

- 9.2 Neither Company nor its servants, agents, nominees, assignees, contractors, sub-contractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employee of Contractor and/or of its contractors or sub-contractors irrespective of how such injury, illness or death is caused unless caused by willful and gross negligence of Company and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Contractor shall protect, defend, indemnify and hold harmless the Company from and against such loss or damage and any suit, claim or expense resulting there-from.
- 9.3 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, contractors or sub-contractors shall have any liability or responsibility whatsoever to whomsoever (including the owner) for loss of or damage to the equipment and/or loss or damage to the property of Company and/or its contractors or sub-contractors, irrespective of how such loss or damage is caused unless caused by willful or gross negligence of Contractor and/or its servants, agents, nominees, assignees Contractors and sub-contractors. Company shall protect, defend, indemnify and hold harmless Contractor from and against such loss or damage and any suit, claim or expense resulting there-from.
- 9.4 Neither Contractor nor its servants, agents, nominees, assignees, contractors, sub-contractors shall have any liability or responsibility whatsoever to whomsoever for injury to, illness, or death of any employee of Company and/or of its contractors or sub-contractors irrespective of how such injury, illness or death is caused unless caused by willful and gross negligence of Contractor and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Company shall protect, defend, indemnify and hold harmless contractor from and against such loss or damage and any suit, claim or expense resulting there-from.

10.0 INDEMNITY AGREEMENT

- 10.1 Contractor agrees to protect, defend, indemnify and hold Company harmless from and against all claims, suits demands, and causes of action, liabilities, expenses, costs, liens and judgment of every kind and character, without limit, which may arise in favour of Contractor's employees, agents, contractors and sub-contractors or their employees on account of bodily injury or death, or damage to personnel property as a result of the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part, or other faults.
- 10.2 Company agrees to protect, defend, indemnify and hold Contractor harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, costs, liens and judgment of every kind and character, without limit, which may arise in favour of Company's agents contractors and sub-contractors or their employees on account of bodily injury, death or damage to personnel/property as a result of the operations contemplated hereby regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part, or other faults.

11.0 INDEMNITY APPLICATION

- 11.1 The indemnities given herein above, whether given by Company or Contractor, shall be without regard to fault or to the negligence of either party even though said loss, damage, liability, claim, demand, expense, cost or causes of action may be caused, occasioned by or contributed to by the negligence, either sole or concurrent of either party.

12.0 INSURANCE

- 12.1 Contractor shall arrange comprehensive insurance to cover all risks in respect of their personnel, materials and equipment belonging to Contractor or its sub-contractor during the currency of the contract.
- 12.2 All insurances taken out by Contractor or his subcontractors shall be endorsed to provide that the underwriters waive their rights of recourse on Company.

13.0 CHANGES

- 13.1 During the performance of the work, Company may make a change in the work within the general scope of the contract including, but not limited to, changes in methodology and minor additions to or deletions from the work to be performed. Contractor shall perform the work as changed. Changes of this nature will be effected by written change order signed by Company.
- 13.2 If a change results in an increase in compensation due to Contractor or in a credit due to Company, Contractor shall submit to Company an estimate of the amount of such compensation or credit in a form prescribed by Company. Upon review of Contractor's estimate, Company shall establish and set forth in the change Order the amount of the compensation or credit for the change or a basis for determining a reasonable compensation or credit for the change. If Contractor disagrees with the compensation or credit set forth in the change order, Contractor shall nevertheless perform the Work as changed, and the parties will resolve the dispute in accordance with Clause 17.0 hereunder. Contractor's performance of the Work as changed will not prejudice Contractor's request for additional compensation for Work performed under change order.

14.0 FORCE MAJEURE

- 14.1 In the event of either party being rendered unable by "Force Majeure" to perform any obligation required to be performed by them under this contract, the relative obligation of the party affected by such "Force Majeure" will stand suspended as provided herein. The word "Force Majeure" as employed herein shall mean acts of God, war, revolt, agitation, strikes, riot, fire, flood, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Contractor) and any other cause, whether of kind herein enumerated or otherwise which are not within the control of the party to the contract and which renders performance of the contract by the said party impossible.
- 14.2 Upon occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within seventy two (72) hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.
- 14.3 Should "Force Majeure" condition as stated above occurs and should the same be notified within seventy two (72) hours after its occurrence, the time frame for completion of contractual obligations as set forth in the contract will automatically stand extended by such period of nonperformance due to the "force majeure" situation. However, the either party will also have the right to terminate the contract if such "force majeure" condition continues beyond successive ten (10) days, with prior written notice. Should either party decide not to terminate the contract even under such condition, no payment would apply after expiry of ten (10) days period unless otherwise agreed to.

15.0 TERMINATION

15.1 TERMINATION ON EXPIRY OF THE TERMS (DURATION)

The contract shall be deemed to have been automatically terminated on the expiry of duration of the contract or extension, if any, thereof or upon completion of contractual obligations.

15.2 TERMINATION ON ACCOUNT OF FORCE MAJEURE

Either party shall have the right to terminate the Contract on account of Force Majeure as set forth in Para 14.0 above.

15.3 TERMINATION ON ACCOUNT OF INSOLVENCY

In the event that the Contractor at any time during the term of the Contract, becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Company shall, by a notice in writing have the right to terminate the Contract and all the Contractor's right and privileges hereunder, shall stand terminated forthwith.

15.4 TERMINATION FOR UNSATISFACTORY PERFORMANCE :

If the Company considers that the performance of the Contractor is unsatisfactory, or not up-to the expected standard, the Company shall notify the Contractor in writing and specify in details the cause of the dissatisfaction. The Company shall have the option to terminate the Contract by giving fifteen (15) days notice in writing to the Contractor, if Contractor fails to comply with the requisitions contained in the said written notice issued by the Company.

15.5 TERMINATION DUE TO CHANGE OF OWNERSHIP & ASSIGNMENT :

In case the Contractor's rights and/or obligations under the Contract and/or the Contractor's rights, title and interest to the equipment/material, are transferred or assigned without the Company's consent, the Company may at its absolute discretion, terminate the Contract.

15.6 CONSEQUENCES OF TERMINATION :

In all cases of termination herein set forth, the obligation of the Company to pay the rates or any other charges shall be limited to the period up to the date of termination, subject to Company's acceptance of the jobs carried out by the Contractor. Notwithstanding the termination of the Contract, the parties shall continue to be bound by the provisions of the Contract that reasonably require some action or forbearance after such termination.

15.7 If at any time during the term of the Contract, breakdown of Contractor's equipment Results in Contractor being unable to perform their obligations hereunder for a period of 15 successive days (not including force majeure delay). Company, at its option, may terminate this Contract in its entirety without any further right or obligation on the part of the Company, except for the payment of money then due. No notice shall be served by the Company under the condition stated above.

15.8 Upon termination of the Contract, Contractor shall return to Company all of Company's items, which are at the time in Contractor's possession.

- 15.9 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 15 (fifteen) days written notice to the Contractor due to any other reason not covered under the above clauses from 15.0 to 15.7 and in the event of such termination the Company shall not be liable to pay any cost or damage to the Contractor except for payment for all services carried out up to the date of termination.
- 15.10 In the event of termination of Contract, Company will issue Notice of termination of the contract with date or event after which the Contract will be terminated. The Contract shall then stand terminated and the Contractor shall have to demobilize their personnel and materials from site, after handing over the Company items, information, records etc. to Company representative.

16.0 SETTLEMENT OF DISPUTES AND ARBITRATION

- 16.1 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of the contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Indian Arbitration and Conciliation Act, 1996. The venue of Arbitration will be Jodhpur, Rajasthan, India. The award made in pursuance thereof shall be binding on the parties.

17.0 APPLICABLE LAWS

- 17.1 The Contract shall be deemed to be a Contract made under, governed by and construed in accordance with the laws of India.
- 17.2 Contractor shall ensure full compliance of various Indian Laws and statutory regulations as stated below, but not limited to, in force from time to time and obtain necessary permits/ licenses, etc. from appropriate authorities for conducting operations under the Contract :
- a) Mines Act - as applicable to safety and employment conditions.
 - b) Oil Mines Regulations, 1983.
 - c) Workmen's Compensation Act.
 - d) Payment of Wages Act.
 - e) Payment of Bonus Act, 1965.
 - f) Contract Labour (Regulation & Abolition) Act, 1970.
 - g) Employees Provident Fund and Family Pension Scheme.
 - h) Interstate Migrant Workmen Act, 1979 (Regulation of employment and conditions of service).
 - i) Income Tax Act & Sales Tax Act
 - j) Customs and Excise Act & Rules
 - k) Insurance Act

18.0 NOTICES

- 18.1 Any notice given by one party to the other pursuant to the contract shall be sent in writing to the applicable address specified below :

COMPANY

Oil India Limited,
 12, Old Residency Road,
 JODHPUR-342011
 Rajasthan, INDIA.
 Fax : 0291 2431689

CONTRACTOR

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18.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

19.0 SUBCONTRACTING

19.1 Contractor shall not subcontract or assign, in whole or in part its obligations to perform under this Contract except with Company's prior written consent, which will not be unreasonably withheld. Company will have the right to accept or reject any Sub-Contractor so selected.

19.2 Company shall have the right at any time to assign all or any part of its rights hereunder to related or affiliated or subsidiary company provided that such successor shall remain fully liable and responsible to Contractor and obligations imposed by the agreement.

20.0 TAXES AND LEVIES

20.1 Tax levied as per the provisions of Indian Income Tax Act including applicable service tax and any other enactment/rules on income derived/payment received under the contract will be on Contractor's account.

20.2 Taxes will be deducted at source from all payments released to the Contractor, both in foreign currency and non-convertible Indian Rupees at the specified rate of income tax as per the provisions of Indian Income Tax Act.

20.3 Contractor shall be responsible for and pay the personnel taxes, corporate tax, if any, for all the personnel deployed in India.

20.4 Contractor shall furnish to the Company, if and when called upon to do so, relevant statements of accounts or any other information pertaining to work done under this Contract for submitting the same to the tax authorities, on specific request by them. Contractor shall be responsible for preparing and filing relevant returns within the stipulated time to the appropriate authority.

20.5 Prior to start of operations under the Contract, Contractor shall furnish to Company necessary documents, as asked for by Company and or any other information pertaining to the Contract, which may be required to be submitted to the Income Tax authorities at the time of obtaining "No Objection Certificate" for releasing payments to Contractor.

20.6 Tax clearance certificate for personnel and corporate taxes shall be obtained by Contractor from appropriate Indian tax authorities if required, and furnished to Company.

20.7 Corporate and personnel taxes on Contractor and Contractor's subcontractors shall be the liability of the Contractor and Company shall not be held responsible on this account.

20.8 All local and Central Taxes, levies, R&D cess, duties and Octroi etc. on the purchases and sales made in India by Contractor or on the Sales made by Contractor to Company if any, shall be borne by Contractor.

21.0 PATENT INFRINGEMENT

21.1 Contractor shall defend and hold Company harmless against any and all claims, actions and liabilities for violation of any patent or patents brought against Company and/or use of any patented processes, compositions, machines or articles of manufacture. Company shall at all times have the right to be represented by its own counsel and participate in the defence of any action in which Company is a party defendant.

21.2 Company shall defend and hold Contractor harmless against any and all claims, actions and liabilities for violation of any patent or patents brought against Contractor and/or Company by any third party as a result of Company's use of any patented processes, composition, machines or articles of manufacture. Contractor shall at all times have the right to be represented by its own counsel and to participate in the defence of any action in which Contractor is a party defendant.

22.0 MISCELLANEOUS PROVISIONS

22.1 Contractor shall give all notices and pay all fees required to be given or paid for by any National or State statute, ordinance, or other law, or any regulation, or bye-law of any local or other duly constituted authority in relation to the performance of the services and by the rules and regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the services.

22.2 Contractor shall conform in all respect with provisions of any such statute, ordinance or law as aforesaid and the regulations or bye-laws of any local or other duly constituted authority which may be applicable to the services and with such rules and regulations of public bodies and Companies as aforesaid and shall keep Company indemnified against all penalties and liability of every kind for breach of any such statute, ordinance or law, regulations or bye-law.

22.3 Key personnel of Contractor performing the work under this contract cannot be changed as far as practicable during the tenure of the contract except due to sickness /death/ resignation of the personnel, in which case the replaced person should have equal experience and qualifications which will again subject to approval by Company.

23.0 RECORDS, REPORTS, INSPECTION :

The Contractor shall, at all times, permit the Company and its authorised employees and representatives to inspect all work performed and to witness and check all measurements and tests made in connection with the said work. The Contractor shall keep an authentic, accurate history and records, which shall be open at all reasonable times for inspection by the Company and its authorized employees and representatives. The Contractor shall not, without Company's written consent allow any third person(s) access to the said work, or given out to any third person information in connection therewith.

24.0 EMPLOYMENT OF OFFICIAL OF THE COMPANY :

Firms/Contractors who have or had business relations with the Company are advised not to employ serving employees without its prior permission. It is also advised not to employ ex-personnel of the Company within the initial two years period after their retirement/ resignation/severance from service without specific permission of the Company. Company may decide not to deal with such firm(s)/Contractors who fail to comply with the advice.

25.0 SUBSEQUENTLY ENACTED LAWS

Subsequent to date of bid submission, if there is a change in or enactment of any law or interpretation of existing law which results in an additional cost/reduction in cost under the contract to Contractor such as but not limited to Corporate tax, Local taxes, Octroi, Sales tax and any other taxes & levies etc., the additional cost/reduction in cost shall be reimbursed by Company to Contractor or by Contractor to Company as the case may be.

(END OF SECTION – III)

SECTION - IV

SCOPE OF WORK/TERMS OF REFERENCE/TECHNICAL SPECIFICATIONS

1.0 INTRODUCTION

This section establishes the scope and schedule for the work to be performed by Contractor and describes references, specifications, instructions, standards and other documents, the specifications for any materials, tools or equipment, which the Contractor shall satisfy or adhere to in performance of the work.

2.0 PREAMBLE

- 2.1 Rajasthan Project of OIL INDIA LIMITED (OIL), a Govt. of India Enterprise, is engaged in exploration and production of Natural Gas from Jaisalmer Basin and Heavy oil/Bitumen from Bikaner-Nagaur Basin of western Rajasthan in India. In addition, the Company is carrying out various exploration activities in Rajasthan (India) in five (05) NELP Blocks as Operator under PSC agreement with Govt. of India.
- 2.2 In connection with its operations in NELP Blocks, Company plans to extend its exploration activities in the Jaisalmer and Bikaner-Nagaur Basins in Western Rajasthan (India) by drilling exploratory wells to establish hydrocarbon reserves.
- 2.3 The down hole drilling conditions and geology in the proposed drilling wells are expected to be normal and similar to those of gas field of Jaisalmer Basin, where more than 40 Wells of depth of 1050-4500m have so far been drilled.

3.0 DESCRIPTION OF WORK

- 3.1 The Successful bidder is required to deploy two (2) experienced and qualified MUD ENGINEERS only, at the drilling site of Oil India Limited in Rajasthan during the contractual period for providing day-to-day Mud Engineering Services in Jaisalmer and Bikaner-Nagaur Basins. All laboratory equipment, mud chemicals and un-skilled labourers/helpers to handle the chemicals under direct supervision of Contractor's Mud Engineers will be provided by Oil India Limited.
- 3.2 The scope of services of the Contractor's Mud Engineers is to provide expertise and state of the art technology for mud engineering services up to a bottom hole temperature of 150⁰C and pressure up to 5000 PSI. The depth of proposed wells will be approximately 1300-2600m.

4.0 CONTRACTOR'S PERSONNEL & THEIR EXPERIENCE

- 4.1 Contractor shall deploy two graduate Mud Engineers with minimum of five (5) years experience each in providing mud-engineering services in oil/gas wells, preferably in similar geological settings. The Mud Engineers are required to work on 12 hourly basis, 24 hours a day and 7 days a week throughout the contractual period.
- 4.2 Contractor's personnel shall carry out the mud engineering work at well site as per International Standard and must be capable of handling mud losses of moderate to severe magnitude and trouble shooting of all mud related problems.
- 4.3 Bidders must submit the bio-data and experienced certificates etc. of their proposed personnel (minimum four Mud engineers), without which the bids will be liable for rejection.

5.0 SIMILAR JOBS PERFORMED

Details of similar jobs performed should be backed up by certificates from reputed oil companies for each services offered and should be presented, wherever possible with the Technical Bid.

6.0 MEASUREMENT /RECORDING

Measurement/recording of data during operations in Metric System is essential.

7.0 OBLIGATIONS OF THE CONTRACTOR

- 7.1 Contractor shall deploy two Mud Engineers at well site for carrying out services on 14 days ONN and OFF roaster throughout the contract period.
- 7.2 The Mud Engineers shall provide efficient supervision; furnish work progress reports and other information as required by OIL. The Mud Engineers shall also prepare and submit reports, documents such as well history, mud parameters record and will also maintain records of consumption of materials and estimated cost etc. on standard format.
- 7.3 The Contractor shall bear royalty or fees for utilization of patent rights, if any, and shall indemnify Company in respect of any claim made against OIL in this regard.
- 7.4 The Contractor shall deploy two Mud Engineers for 12 hours shift basis, who should be available at the well site 24 hours a day throughout the contract till completion and production testing of the well. They would be responsible for preparation and proper maintenance of drilling fluid as per recommended mud policy with optimum parameters for water loss, weight, viscosity etc., and trouble shooting of all mud related problems for smooth drilling operations as per good oil field practice. They will also be responsible for optimum/religious use of chemicals for maintenance of desired parameters. The Contractor will also have to provide all relevant mud engineering related services during cementing and production testing operations.
- 7.5 Contractor should ensure that relevant labour laws of Central, State or local Govt. in force are followed.
- 7.6 Solid Control Equipment shall be effectively utilized by the Contractor. If high pressure zones are encountered during drilling, the Mud Engineers shall control fluid parameters to bring the well under control. Parameters like specific gravity, in case of well activity, will however be decided in consultation with OIL's representatives.
- 7.7 The Mud Engineers deployed by contractor will have to adjust mud parameters to meet OIL's technical requirement, subsurface formations and abnormal well conditions.
- 7.8 The Mud engineers will have to record specific gravity, salinity etc. of mud and salinity of formation water and mud filtrate as required from time to time.
- 7.9 The Mud engineers will have to collect oil/gas and water samples from the wells as required from time to time.
- 7.10 Contractor shall maintain insurance coverage for their personnel and will meet all requirements of their personnel except for on site accommodation and food, which will be provided by OIL free of charge during their stay at well site.

- 7.11 Contractor shall maintain proper accounts of the consumption of mud chemicals and shall submit weekly consumption/stock statements to Company.
- 7.12 After completion of mud engineering services in a particular well/job, the Contractor should provide all the data collected to company at no extra cost in hard copies (3) as well as in digital format. Well completion report (3 copies) is required to be submitted by Contractor alongwith the report in digital format.
- 7.13 Contractor shall keep the mud engineering equipment/tools (to be provided by OIL) in good working condition and shall carry out mud engineering operations in accordance with accepted international oilfield practice.

8.0 OBLIGATIONS OF COMPANY

- 8.1 Company shall, in accordance with and subject to the terms and conditions of the contract, pay Contractor for the services rendered.
- 8.2 OIL will allow Contractor and their personnel access to the site for execution of contract, subject of to normal safety and security compliance.
- 8.3 OIL will provide all mud chemicals, laboratory equipment and reagents for successful drilling and completion of wells. Company will also provide requisite unskilled labourers for handling chemicals at well site under direct supervision of Contractor's Mud Engineers. The type of mud system to be used will be decided by OIL.
- 8.4 Details of sub-surface lithology, temperature and pressure will be provided by OIL to the Contractor. Tentative mud policy decided by OIL will also be provided by OIL.
- 8.5 Company shall organize all possible help from local government/administration to Contractor's personnel in case of natural disasters, civil disturbances and epidemics.
- 9.0 For performance of this intended services, the following will be provided by Company and/or by the Contractor at their respective expenses during the currency of the contract.

Srl. No.	Details	Contractor	Company
1	Mud Laboratory	-	X
2	Mud Chemicals and all testing equipment	-	X
3	Mud Engineers as required	X	-
4	Helper for handling Mud chemicals	-	X
5	Transportation of Chemicals & additives	-	X
6	HSD for Mud preparation	-	X
7	Boarding, lodging and medical facilities at site to the Mud Engineers	-	X
8	Suitable storage shed for chemicals and equipment	-	X
9	Shale Shaker, Desander, Desilter and Degasser	-	X
10	Hopper Mixer and Treating tanks for mixing and treating the mud.	-	X

(END OF SECTION – IV)

SECTION - V

SPECIAL TERMS AND CONDITIONS

1.0 ASSOCIATION OF COMPANY'S PERSONNEL

Company may depute more than one representative to act on its behalf for overall co-ordination and operational management at location. Company's representatives shall have the authority to order any changes in the scope of work to the extent so authorized and notified by Company in writing. They shall liaise with the Contractor or their Mud Engineers, monitor the progress so as to ensure timely completion of jobs in proper and efficient manner. They shall also have the authority to oversee the execution of jobs by the Contractor and to ensure compliance of provisions of the contract.

2.0 PROVISION OF PERSONNEL AND FACILITIES

- 2.1 The Contractor shall depute two graduate Mud Engineers each having minimum of five years operational experience in providing Mud Engineering Services during oil/gas well drilling operations and both should be fluent in English language. Contractor shall provide identity cards etc. to their personnel for identification and certification of completeness of mobilization by Company representative. On Company's request, Contractor shall remove and replace at his own expenses, any of his personnel whose presence is considered undesirable/unacceptable in the opinion of Company.
- 2.2 The Mud Engineers to be deployed by the Contractor at drilling site shall work on 12 hourly shifts on a day and 14 days ONN and 14 days OFF basis and shall observe all safety and security rules and regulations and must comply with all statutory regulations including Mines-safety rules. They shall have adequate power and authority for performance of the assigned jobs under the contract and shall liaise with the Company representatives for proper coordination and timely completion of jobs in an efficient manner and on any other matter pertaining to mud engineering services.
- 2.3 The Contractor shall be responsible for and shall provide for all requirements of their personnel, including but not limited to their insurance, housing, medical services, transportation (both air and land up to designated well site & back to their base from time to time), salaries and all amenities, all emigration requirements, taxes if any, payable in India or outside at no extra charge to the Company. Only bunkhouse accommodation, food and preliminary medical assistance as available at well site will be provided free of charge by OIL during their tenure of stay in connection with execution of the contract.

3.0 SECRECY

All data/information provided, assembled, compiled, developed, reproduced and studied by the Contractor in connection with the services rendered shall be considered strictly confidential. The Contractor shall maintain the secrecy of the data/information, even after the expiry of the contractual service period.

4.0 INVOICING AND PAYMENTS

- 4.1 No advance payment shall be made to the Contractor for execution of this agreement. Company shall make payment to the Contractor, during the term of the contract, the amount due calculated according to the rates of payment set and in accordance with other provisions hereof. No other payments shall be due from Company unless specifically provided for in this contract.

- 4.2 All payments due by Company to Contractor shall be made at Contractor's designated bank and bank charges payable, if any, will be to Contractor's account.
- 4.3 Contractor will be required to submit four sets of invoices towards payment of their monthly charges, in the first week of each following month after commencement of work. However, for payment of mobilization charges, if any, the invoice may be submitted immediately after completion of mobilization of the Mud Engineers at site. Separate invoices shall be submitted for charges to be made in foreign currency and Indian Rupees.
- 4.4 Payment of invoices, if undisputed, shall be made within 30 days of receipt of same. The Company shall within 15 days of receipt of invoices notify Contractor of any item under dispute, specifying the reasons thereof. In which case, payment of the undisputed amount may be withheld until settlement of the dispute, but payment for the undisputed portion shall be made.
- 4.5 Acceptance by Contractor of part payment on any billing not paid on or before the due date shall not be deemed a waiver of Contractor's right in respect of any other billing, the payment of which may then or thereafter be due.
- 4.6 Similarly, payment of any invoice by Company, shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the due date of payment shall make and deliver to contractor written notice of objection to any item or items, the validity of which Company questions.
- 4.7 Contractor shall maintain complete and correct records of all information on which Contractor's invoices are based on, upto two (2) years from the date of last invoice. Such records shall be required for making appropriate adjustments or payments by either party in case of subsequent audit query/objection. Any audit conducted by Company of Contractor's records, as provided herein, shall be limited to Company's verification (i) of the accuracy of all charges made by Contractor to Company and (ii) that Contractor is otherwise in compliance with the terms and conditions of this Agreement.

5.0 WAIVERS AND AMENDMENTS

It is fully understood and agreed that none of the terms and conditions of the contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the duly authorised agents or representatives of such party. The failure of either party to execute any right of termination shall not act as a waiver or amendment of any right of such party provided hereunder.

6.0 CONSEQUENTIAL DAMAGE

Neither party shall be liable to the other for special indirect or consequential damages resulting from or arising out of this contract, including but without limitations to loss of profit or business interruption, howsoever, caused by the negligence (either sole or concurrent) of party, its officers, employees, agents, Contractors or sub-Contractors.

(END OF SECTION – V)

SECTION – VI

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, (Name of Bidder) (hereinafter called “the bidder”) has submitted his bid dated (Date)for the provision of certain oilfield services (hereinafter called “the bid”). KNOW ALL MEN by these presents that we (Name of Bank) of (Name of country) having our registered office at (hereinafter called “the Bank”) are bound unto Oil India Limited (herein after called “Company” in the sum of (.....) * for which payment well and truly to be made to Company, the bank binds itself, its successors and assignees by these presents. SEALED with the common seal of the said Bank this Day of , 2008 .

THE CONDITIONS of this obligation are:

1. If the bidder withdraws his bid during the period of bid validity specified in the Form of Bid;

Or
2. If the bidder, having been notified of the acceptance of his bid by the Company during the period of bid validity:
 - fails or refuses to execute the Form of Agreement in accordance with the Instructions to bidders, if required; or
 - fails or refuses to furnish the Performance Security in accordance with the Instructions to bidders;

We undertake to pay to Company up to the above amount upon receipt of its first written demand, without Company having to substantiate its demand, provided that in its demand Company will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions specifying the occurred condition or conditions.

This guarantee will remain in force up to and including the date, 180 days after the closing date for submission of bids as stated in the tender document or as extended by you at any time prior to this date, notice of which extension to the bank being hereby waived, and any demand in respect thereof should reach the bank not later than the above date.

DATE: SIGNATURE OF THE BANK:

WITNESS: SEAL:

(Signature, Name and Address)

-
- The bidder should insert the amount of the guarantee in words and figures denominated in the currency of the Company’s country or an equivalent amount in a freely convertible currency.

(END OF SECTION - VI)

SECTION - VII

FORM OF PERFORMANCE BANK GUARANTEE (UNCONDITIONAL)*

To: (Name of Company)
(Address of Company

WHEREAS (Name and address of Contractor) (hereinafter called "Contractor") had undertaken, in pursuance of Contract No..... dated to execute (Name of Contract and brief description of the work) (hereinafter called "the Contract"), AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a bank guarantee by a recognised bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee, now THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of (Amount of Guarantee)** (in words) such sum being payable in the type and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of the guarantee sum as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modifications of the terms of the Contract or of the work to be performed thereunder or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee is valid until the date (.....)** Three months after Contract Completion.

SIGNATURE & SEAL OF THE CONTRACTOR :.....
Name of Bank :.....
Address :.....
Date :.....

* Bidders are NOT required to complete this form while submitting the bid.

**An amount is to be inserted by the guarantor, representing the percentage of the Contract price specified in the Contract, and denominated either in the currency of the Contract or in a freely convertible currency acceptable to the Company as per para 27.0 under Section-II

(END OF SECTION-VII)

SECTION-VIII

SAMPLE FORM OF AGREEMENT*

THIS AGREEMENT is made on the day of 2008... between (name of Company) of (Mailing address of Company), hereinafter called “the Company”, of the one part and (Name of Contractor) (hereinafter called “the Contractor”) of the other part.

WHEREAS the Company is desirous that certain works should be executed viz. (brief description of works) and has by Letter of Acceptance (date of Letter of Acceptance) accepted a bid by the Contractor for the execution, completion and maintenance of such works, now THIS AGREEMENT WITNESS as follows:

1. In this agreement words and expressions shall have the same meanings as are respectively assigned to them in the conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this agreement, viz:
This Form of agreement,
The Letter of Acceptance,
The Contractor’s Bid and enclosures,
The Technical Specifications,
The Priced bill of quantities,
The Drawings,
The Schedule of Supplementary Information,
The special Conditions of Contract and
The General conditions of Contract
3. The aforesaid documents shall be taken as complementary and mutually explanatory of one another, but in the case of ambiguities or discrepancies they shall take precedence in the order set out above.
4. In consideration of the payment to be made by the Company to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Company to execute, complete and maintain the works in conformity in all respects with the provisions of the Contract.
5. The Company hereby covenants to pay the Contractor in consideration of the execution, completion and maintenance of the works the Contract price at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have caused their respective common seals to be hereunto affixed (or have hereunto set their respective hands and seals) the day and year first written above.

SIGNED, SEALED AND DELIVERED

By the said
Name _____

By the said
Name _____

On behalf of the Contractor
in the presence of:

On behalf of the Contractor
in the presence of:

Name _____
Address _____

Name _____
Address _____

* Bidders are NOT required to complete this form.

SECTION - IX

BID FORM AND PRICE SCHEDULE

(A) BID-FORM

Date :
Tender No. : JCO 8795 P09
(Insert Bidder's name and address)

Gentlemen,

Having examined the General and Special Conditions of Contract, the Terms of Reference including all attachments thereto, the receipt of which is hereby duly acknowledged, we, the undersigned offer to perform the services in conformity with the said conditions of Contract and Terms of Reference for the sum of (Total Bid amount in words and figures) or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to commence the work within (.....) days calculated from the date of receipt of firm letter of intent of awarding the Contract.

If our Bid is accepted, we will obtain the Guarantee of a Bank for sum of not exceeding 10% of the estimated contract value for the due performance of the Contract.

We agree to abide by the Bid for a period 120 days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before expiry of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof in your notification of award shall constitute a binding Contract between us.

We understand that you are not bound to accept lowest or any Bid you may receive.

Dated this Day of 2008.....

(Signature)

(in the capacity of)

Bidder's Name :
Bidder's Address :

(B) PRICE SCHEDULE FOR MUD ENGINEERING SERVICES :

Bidders must quote their rates strictly as per format provided in Section – X vide PROFORMA-I, considering the following stipulations.

1.0 MOBILISATION CHARGES :

- 1.1 Mobilisation charges should cover all local and foreign costs (if any) including en-route expenses of the Contractor with respect to mobilization of two (2) Mud Engineers to the first designated drilling location for execution of the jobs.
- 1.2 Mobilisation charges will be payable one time, when the Mud Engineers are positioned at site to undertake/commence the work assigned under the contract at the first drilling location and duly certified by Company representative.

2.0 DEMOBILISATION CHARGES :

- 2.1 The Demobilisation Charges should include all charges related to demobilization of Contractor's Mud Engineers from the last location after expiry/termination of the contract.
- 2.2 Company shall give notice to the Contractor regarding mobilization indicating the date and time therein and Contractor must ensure that the demobilization activities are completed promptly. However, no payment whatsoever will be payable by Company from the date and time as advised in the demobilization notice.
- 2.3 Demobilisation Charges will be payable one time, upon completion of contractual period or termination of contract as the case may be.

3.0 PERSONNEL CHARGES :

- 3.1 **Operating Day Rate :** Operating Day Rate to be quoted on per day of 24 hours for the services of two Mud Engineers (12 hourly shift basis) at the drilling locations. Bidders must clearly indicate that the rate quoted is for deployment of two Mud Engineers. Besides this, if the Contractor engages any other personnel to assist their Mud Engineers or for any other purpose, Company will neither be responsible nor will pay for the same to the Contractor. Food, accommodation, medical facilities as available at drilling site and helpers for handling mud chemicals will be provided by Company to Contractor's two Mud Engineers free of charges.
- 3.2 **Standby Day Rate :** Standby day rate for the Mud Engineers will be payable per 24 hours day against temporary halt of operations due to rig repair/standby/shutdown and inter location move etc. leading to suspension of mud engineering services continuously for more than 36 hours. However, for the first 36 hours suspension of mud engineering services under such conditions, the normal operating day rate as per para 3.1 above will be payable. The standby day rate will apply beyond the initial 36 hours till resumption of services.

NOTE : Transportation to and from Contractor's base to designated drilling site of the Mud Engineers after each 14 days will be the responsibility of the Contractor. Company will not provide any assistance in this regard. However, Company will provide transportation facilities to the Mud Engineers from time to time only for movement from one location to another during inter location movement of the drilling rig.

(END OF SECTION – IX)

SECTION - X

BID REJECTION CRITERIA (BRC) / BID EVALUATION CRITERIA (BEC)

A) BID REJECTION CRITERIA (BRC) :

The bids shall conform generally to the Scope of Work and Terms and Conditions given in the bidding document. Bids will be rejected in case they do not conform to the required parameters stipulated in the tender document. Notwithstanding the general conformity of the bids to the stipulated specifications, the following requirements will have to be particularly met by the bidders without which the offers will be considered as non-responsive and rejected.

1.0 TECHNICAL :

- 1.1 Bidders who are in a position to mobilize the requisite Mud Engineers at the first drilling location within a maximum period of **90 days** from the date of receipt of notification of award (LOI) from Company only need to quote against this tender. Offers indicating mobilization time more than 90 days from LOI will be summarily rejected.
- 1.2 Bidder or its collaborator or joint venture partner must have minimum five (5) years operational experience in providing mud engineering services and must have completed successfully minimum three (3) wells during last two years, calculated up to the scheduled bid closing date of this tender.
- 1.3 The Bidder must confirm to provide two graduate (minimum) Mud Engineers, on 12 hourly shift basis throughout the contractual period, each having at least five (5) years experience in carrying out mud engineering services in oil/gas well drilling operations.
- 1.4 The bidders are required to provide following information in their bids to help in evaluating their competence and experience.
 - (i) Number of hydrocarbon fields/area in which the Bidders is currently engaged in providing mud-engineering services.
 - (ii) Brief data on wells, production and completion practices, pressure, temperature. Geological set-up etc. in last two years.
 - (iii) Audited/certified reports of financial standing of the bidder for past three completed years.
- 1.5 In case of collaboration/JVC, in support of the qualification/experience, the bidder must submit/confirm documents, information in respect of all the partners together with a copy of agreement detailing the responsibilities of each party/partner. All above mentioned documents should be properly notarized and validity of all agreement/document should cover the entire duration of the contract including extension period of the contract, if any.
- 1.6 Collaboration/joint venture partnership with a firm who submits offer as an independent bidder against this tender will not be acceptable.
- 1.7 At any time during the currency of the contract, if it is envisaged that the services of the Contractor's personnel are not required consecutively for more than ten (10) days or more, then the Contractor will be allowed to demobilize their crew and NIL day rate will be applicable towards the Mud Engineers from the date of withdrawal till the date of redeployment. Therefore, the bidders must confirm acceptance of this clause in their offer and must also categorically confirm that they will re-deploy the personnel at drilling site within seven (7) days notice from Company.

2.0 COMMERCIAL :

- 2.1 Bids are to be submitted in triplicate under Single Stage Two Bid System i.e. Technical Bid (Un-priced) and Commercial Bid (Priced) to be submitted in separate sealed envelopes. Only the Commercial Bid should contain the prices/rates. Bids will be summarily rejected, if the Technical Bids contain the prices/rates.
- 2.2 Bid Security shall be furnished as part of the Technical Bid. The amount of bid security should be as specified in the "Forwarding Letter". Any bid not accompanied by a proper bid security will be rejected.
- 2.3 Bidders must quote clearly and strictly in accordance with the price schedule outlined in Price Bid Format (PROFORMA-I), enclosed. Prices quoted by the bidders must remain firm throughout execution of the contract and not subject to variation on any account.
- 2.4 Bidders shall quote directly. Offers made by Indian Agents on behalf of their foreign principals will be rejected.
- 2.5 Bids received after the scheduled bid closing time and date will be rejected.
- 2.6 Bids shall be typed or written in indelible ink and the original bid shall be signed by the bidder or his authorized representative(s) on all pages, failing which the bid will be rejected.
- 2.7 Bids shall contain no interlineations, erasures or over writing, except as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person(s) signing the bid. However, correcting fluid should not be used for making correction. Any bid not meeting this requirement shall be rejected.
- 2.8 Bids containing false statement will be rejected.
- 2.9 Bids shall remain valid for 120 days from the date of scheduled bid closing as determined by Company. Bids with inadequate validity shall be rejected.
- 2.10 Conditional offers will be rejected.
- 2.10 Bidders must accept and comply with the following clauses as given in the tender document in toto, failing which the offers will be rejected.
 - a) Performance Security
 - b) Tax liability
 - c) Force majeure
 - d) Termination
 - e) Arbitration
 - f) Confidentiality
 - g) Applicable law
 - h) Liquidated damages

3.0 GENERAL:

- 3.1 The Compliance Statement (PROFORMA-II) should be duly filled up and should form a part of Technical Bid. In case bidder takes exception to any clause of tender document not covered under BEC/BRC, then the Company has the discretion to load or reject the offer on account of such exceptions if the bidder does not withdraw/modify the deviations when/as advised by the Company. The loading so done by the Company will be final and binding on the bidders.

- 3.2 To ascertain the substantial responsiveness of bids, the Company reserves the right to ask the bidders for clarifications in respect of clauses covered under BEC/BRC also and such clarifications fulfilling the BEC/BRC clauses in toto must be received on or before the dead line given by the Company, failing which the offer will be summarily rejected.
- 3.3 The bid documents are non-transferable. Hence, unsolicited offers will be rejected outrightly without any reference.
- 3.4 The Company also reserves the right to cancel/withdraw the tender or annul the bidding process at any time prior to award of contract, without thereby incurring any liability to the bidders or any obligation to inform the bidders of the grounds of Company's action.

NOTE : If any of the clauses in the BEC/BRC contradicts with other clauses of bid document elsewhere, then the clauses in BEC/BRC shall prevail.

B. BID EVALUATION CRITERIA (BEC)

The bids conforming to Scope of Work, terms and conditions stipulated in the bidding document and considered to be responsive after subjecting to Bid Rejection Criteria will be considered for further evaluation as per Bid Evaluation Criteria as set forth hereunder.

- 1.0 Commercial Bids (Price Bids) of only the technically qualified bidders will be opened on a predetermined date and the same will be evaluated taking in to account the sum total cost of all components quoted by the bidders as per Price Bid Format (PROFORMA – I) and the contract will be awarded to the lowest evaluated bidder.
- 2.0 It is, however, to be clearly understood that the assumptions made in respect of the number of month/days/parameters on various heads are only for the purpose of evaluation of the bids. The Contractor will be paid on the basis of actual number of days/months for which the Mud Engineers are engaged during the currency of contract. For calculating hourly/day rates, the monthly rates will be pro-rated.
- 3.0 Arithmetical errors, if any, in the price bids will be rectified on the following basis.

“If there is a discrepancy between the Unit Rate and Total Amount (that is obtained by multiplying Unit Rate with Quantity), the unit rate shall prevail and the total amount shall be corrected accordingly. Similarly, if there is a discrepancy between words and figures, the amount quoted in words will prevail. Any bidder does not accept the said correction procedure, their bid will be rejected.”
- 4.0 The Bids in which the rate for any part of the work is not quoted, shall be rejected. However, if no charge is involved for any of the work, “NIL” should be mentioned against such part of the work.
- 5.0 For evaluation of the bids, B.C. Selling market rate of State Bank of India prevailing one day prior to the price bid opening will be considered. Where the time lag between the price bid opening and final decision exceeds three months, the rate of exchange prevailed on the date prior to the date of final decision will be adopted for Conversion in to single currency.

PRICE BID FORMAT

Srl. No.	Parameters	Quantity	Unit Rate (Currency)	Total Amount (Currency)
1.	MOB-DEMOB CHARGES			
1.1	Lump sum one time Mobilisation Charges.	01		
1.2	Lump sum one time Demobilisation Charges	01		
2.	CHARGES FOR MUD ENGINEERS			
2.1	Charges for two (2) Mud Engineers per day of 24 hours (on 12 hourly shift basis) during operation.	600 Days		
2.2	Standby Charges for two (2) Mud Engineers per day of 24 hours.	130 Days		
TOTAL ESTIMATED CONTRACT VALUE (1 + 2) (Sum Total of all above Charges)				

- NOTE :**
1. The bidders are to quote above prices inclusive of all taxes and duties including corporate/personal tax and service tax etc. as applicable. However, percentage of Service Tax included in each above quoted rates must be confirmed specifically in the price bid.
 2. The number of months/days assumed above are for bid evaluation purpose only. However, payment will be made on the actual number of days for which the services of Mud Engineers are availed by Company. For calculating hourly rates, the day rates will be pro-rated. During the entire contractual period (including extension, if any), one time mobilization charges and one time demobilization charges will be payable, if quoted. The successful Bidder will be required to deploy two Mud Engineers on any given day at well site for 12 hours shift duty basis throughout the contractual period. Therefore, the rates must be quoted considering deployment of two Mud Engineers accordingly.
 3. Commercial evaluation of bids will be made on the basis of rates quoted as above, for determining the inter-se ranking of bidders.

STATEMENT OF COMPLIANCE

(Exceptions/Deviations, if any, to be rendered)

SECTION (PAGE NO.)	CLAUSE NO.	COMPLIANCE/ NON-COMPLIANCE	REMARKS

(Authorised Signatory)
Name of the Bidder :

NOTE : OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, should the bidders still envisage some exception/deviation to the terms and conditions of the bid document, the same should be clearly indicated as per above format and submit alongwith their Technical Bids. If the Proforma is left blank, then it would be construed that the bidder has not taken any exception/deviation to the tender terms.

(END OF SECTION – X)