

SECTION-I

OIL/62/7/ENQ-485

Date: 13.08.2010

FORWARDING LETTER **TENDER NO. OIL/ 62/7/ENQ-485**

- 1.0 Oil India Limited (OIL) is a premier upstream Company incorporated under the Indian Companies Act, 1956, under the administrative purview of the Ministry of Petroleum and Natural Gas, Government of India. OIL also has participating interest in NELP exploration blocks in Mahanadi Offshore, Mumbai Deep water, Krishna Godavari Deepwater etc as well as various overseas projects in Libya, Gabon, Iran, Nigeria, Yemen, Timor Leste and Sudan.
- 2.0 Oil India Limited intends to appoint Internal Auditors to carry out the Internal Audit for the FY 2010-11, 2011-12 & 2012-13 in respect of its Corporate Office at Noida and Rajasthan Project Office. The contract shall be for a period of three years with a condition that initially agreement shall be valid for one year and may be extended for further period of two years depending on the performance.
- 2.1 The broad Scope of Work required by OIL for above services within the time frame is enclosed as Annexure-I and periodicity of carrying out the same is enclosed as Annexure-II. The audit is required to be carried out on a quarterly basis. Quarterly report will be submitted in detail together with an Executive Summary highlighting the observations with their Risk Categorisation as High, Medium & Low. The Internal Auditor may also be required once in a while to make presentation before the Audit Committee for their appraisal.
- 2.2 The firms are requested to send their quotation on a consolidated fee basis, i.e. inclusive of travel, transport, estimated out-of-pocket expenses but excluding service tax and boarding and lodging other than in base station, if required in the format given in Annexure-III
- 2.3 The firms are also requested to submit the name of the persons who would be involved from their end in the entire Audit along with their detailed bio-data. The persons must have a minimum of five years of post qualification (CA) experience as well as versed in Auditing under SAP R/3 environment. DISA / CISA qualification will be preferred.
- 2.4 The firms may familiarize themselves with the involvement before quoting their professional fee. The contact person would be : Shri Narender Bhalla, Executive Director (CA & Audit), Tel : 0120-2488421, 4217326, Mob : 9818278855, e-Mail : nbhalla@oilindia.in.
- 3.0 One complete set of bid document for hiring of above services is being forwarded herewith. You are invited to submit your most competitive bid well before the scheduled bid closing date and time. For your ready reference, few salient points (covered in detail in this Bid Document) are highlighted below:

(i) TENDER NO : OIL/ 62/7/ENQ-485
Dated 13.08.2010

- (ii) TYPE OF BID : Single Stage Composite Bid System
- (iii) BID CLOSING DATE & TIME : 31.08.2010 (at 2.30 PM)
- (iv) BID OPENING DATE & TIME : 31.08.2010 (at 2.45 PM)
- (v) BID SUBMISSION PLACES : Bid should be submitted on/or before the Bid Closing date & time at the following address:
OIL INDIA LIMITED
(A Govt. of India Enterprise)
Plot No. 19, Sector-16A
NOIDA – 201 301
- (vi) BID OPENING PLACE : At above place.
- (vii) BID SECURITY : Rs.15.000.00
- (viii) RETENTION MONEY : 7.5% on running bills
- (ix) PERFORMANCE BANK GUARANTEE : 2.1/2% of the total contract value
- (x) DURATION OF CONTRACT : Three years with a condition that initially agreement shall be valid for one year and may be extended for further period of two years

depending on the performance

- (xi) QUANTUM OF LIQUIDATED DAMAGE DEFAULT IN TIMELY COMPLETION : 7.1/2% of total contract value .
- (xii) BIDS TO BE ADDRESSED TO : Sr. Adviser (C& P)
OIL INDIA LIMITED
Plot No 19, Sector 16 A,
NOIDA – 201 301

4.0 OIL now looks forward to your active participation in the tender.

Thanking you,

Yours faithfully,
OIL INDIA LIMITED

(Prasanta Das)
Chief Manager (Materials]
For Senior Adviser(C & P)
For Chairman & Managing Director

SECTION-II

INSTRUCTIONS TO BIDDERS

1.0 Bidder shall bear all costs associated with the preparation and submission of bid. Oil India Limited, hereinafter referred to as 'Company', will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

A. BIDDING DOCUMENTS

2.0 The services required, bidding procedures and contract terms are prescribed in the Bidding Documents. This Bidding Document includes the following:

- a) A forwarding letter highlighting the following points (Section-I):
 - i. Company's Tender No.
 - ii. Bid Closing Date and time.
 - iii. Bid Opening Date, Time and Place.
 - iv. Bid Submission Places.
 - v. Bid Opening Place.
 - vi. The amount of Bid Security.
 - vii. The amount of performance guarantee.
 - viii. Quantum of liquidated damages for default in timely completion.
 - ix. Duration of the Contract
- b) Instructions to Bidders (Section-II)
- c) General Conditions of Contract (Section-III)
- d) Terms of Reference/Technical Specification (Section-IV)
- e) Schedule of Rates / Price Bid Format (Section-V)
- f) Special Conditions of Contract (Section-VI)
- g) Bid Evaluation Criteria/Bid Rejection Criteria (BEC/BRC)-(Section-VII)
- h) Proforma Letter of Authority (Proforma-I)
- i) Statement of Compliance with respect to BRC (Proforma-II).
- j) Statement of non-compliance (excepting BRC) (Proforma-IIa)
- k) Bid Form (Proforma-IIA).
- l) The Performance Security Form (Proforma-IIB).
- m) The Contract Form (Proforma-IIC).
- n) The Bid Security Form (Proforma-IID).
- o) Appendix I
- p) Appendix II

2.1 The bidder is expected to examine all instructions, forms, terms and specifications in the Bidding Documents. Failure to furnish all information required in the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk & responsibility and may result in the rejection of its bid.

3.0 **AMENDMENT OF BIDDING DOCUMENTS:**

3.1 At any time prior to the deadline for submission of bids, the company may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by the issuance of an Addendum.

3.2 The Addendum will be sent in writing through post / courier or by Fax or e-mail to all prospective Bidders to whom Company has sent the bid documents. The company may, at its discretion, extend the deadline for bid submission, if the Bidders are expected to require additional time in which to take the Addendum into account in preparation of their bid or for any other reason.

B. PREPARATION OF BIDS

4.0 **LANGUAGE OF BIDS:** The bid as well as all correspondence and documents relating to the bid exchanged between the Bidder and the Company shall be in English language, except that any printed literature may be in another language provided it is accompanied by an English translated version, which shall govern for the purpose of bid interpretation.

4.1 **DOCUMENTS COMPRISING THE BID:** The complete bid should be submitted as under-

~~(A) **FOR IFB OF ESTIMATED CONTRACT VALUE UPTO RS. 20.00 CRORES**~~

~~**(i) Single (Composite) Bid System**~~

~~Both Techno-Commercial part and Price part should be put in one envelope.~~

~~**(ii) Two Bid System**~~

~~Un-priced Techno-Commercial Bid and Price bids should be put in two separate envelopes with markings on them as A and B respectively as under :~~

~~Envelope-A: This envelope shall contain the Un-priced Techno-Commercial Bid (including bid security & compliance certificate, if any) and shall be superscribed as Techno-Commercial Bid. In this envelope the bid containing all parts except the price bid shall be put in.~~

~~Envelope-B: This envelope shall contain the Price bid and shall be superscribed as Price Bid.~~

~~Both the Envelopes i.e., Envelope-A & Envelope-B shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder's Name etc shall be superscribed on it.~~

~~(B) **FOR IFB OF ESTIMATED CONTRACT VALUE ABOVE RS. 20.00 CRORES** The outer~~

~~envelope shall contain separate envelopes as under-~~

~~(i) Single(Composite) Bid System (Though all IFBs shall be under two bid system, in case, an IFB is under single bid system then the procedure will be as under)~~

~~Envelope-A: This envelope shall contain Bid Security and shall be super-scribed as "Bid Security"~~

~~Envelope-B: This envelope shall contain Certificate of Compliance in the prescribed form and super-scribed as "Certificate of Compliance"; and~~

~~Envelope-C: This envelope shall contain both Techno-Commercial part and Price part together and super-scribed as "Technical & Price Bid".~~

~~All these Envelopes i.e., Envelope A, Envelope B & Envelope C shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder's Name etc shall be super-scribed on it.~~

~~(ii) Two Bid System:~~

~~Envelope-A: This envelope shall contain Bid Security and shall be super-scribed as "Bid Security"~~

~~Envelope-B: This envelope shall contain Certificate of Compliance in the prescribed form and super-scribed as "Certificate of Compliance"~~

~~Envelope-C: This envelope shall contain the Un-priced Techno-Commercial Bid and shall be super-scribed as "Techno-Commercial Bid". In this envelope the bid containing all parts except the price bid shall be put in.~~

~~Envelope-D: This envelope shall contain the Price bid and shall be super-scribed as "Price Bid".~~

~~All these Envelopes i.e., Envelope A, Envelope B, Envelope C & Envelope D shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder's Name etc shall be super-scribed on it.~~

NOTE:

~~Envelope for Un-priced Techno-Commercial Bid shall contain the requisite documents from the bidders in compliance to the approved BRC/BEC and terms and conditions of the Bid Document, specifications etc. All documents required as part of Technical Bid shall be submitted in this envelope. Also a copy of Part II Priced Bid with price figures only blanked out is to be enclosed in this envelope.~~

~~Envelope for Price Bid shall contain price bid. The bidders shall be required to quote their rates & currencies (in case of ICB) and any other commercial information as specified, within the space(s) provided for the purpose. This shall not be opened until the technical bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.~~

4.2 The envelope(s) shall be opened as under:

~~(A) FOR IFB OF ESTIMATED CONTRACT VALUE UPTO RS. 20.00 CRORES~~

(i) Single (Composite) Bid System

The envelope containing both Techno-Commercial part and Price part should be opened on the Bid Opening Time and Date by Bid Opening Officers.

(ii) Two Bid System

~~Envelope A~~ containing the Un-priced Techno-Commercial Bid should be opened on the Technical Bid Opening Time and Date by Bid Opening Officers.

~~Envelope B~~ containing the Price bid shall not be opened until the Techno-Bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.

(B) FOR IFB OF ESTIMATED CONTRACT VALUE ABOVE RS. 20.00 CRORES

(i) Single (Composite) Bid System

~~Envelope A~~ containing the Bid Security shall be opened first to make sure that a proper Bid Security is furnished. If proper Bid Security is not furnished the remaining envelopes need not be opened and they may be returned.

~~Envelope B~~ containing certificate of compliance shall be opened only after proper Bid Security is seen furnished.

~~Envelope C~~ The envelope containing both Techno-Commercial part and Price part should be opened on the Bid Opening Time and Date by Bid Opening Officers only after proper Bid Security and Certificate of Compliance are seen furnished.

(ii) Two Bid System:

~~Envelope A~~ containing the Bid Security shall be opened first to make sure that a proper Bid Security is furnished. If proper Bid Security is not furnished the remaining envelopes need not be opened and they may be returned.

~~Envelope B~~ containing certificate of compliance shall be opened only after proper Bid Security is seen furnished.

~~Envelope C~~ containing the Un-priced Techno-Commercial Bid should be opened on the Technical Bid Opening Time and Date by Bid Opening Officers only after proper Bid Security and Certificate of Compliance are seen furnished.

~~Envelope D~~ containing the Price bid shall not be opened until the Techno-Commercial Bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.

~~5.0 The bid submitted by the Bidder shall comprise of the following components under 04(Four) envelopes system:~~

~~(A) Envelope-A : Containing valid and proper Bid Security in Original as per Clause 10.0 below.~~

~~(B) Envelope-B : Containing Statement of Compliance with respect to BRC (Proforma-II).~~

~~(C) Envelope-C : Containing **TECHNICAL** Bid comprising of following:~~

~~(i) Complete technical details of the services and equipment specifications with catalogue, etc.~~

~~(ii) Documentary evidence established in accordance with clause 9.0.~~

~~(iii) Statement of non-compliance (excepting BRC) (Proforma-IIa).~~

~~(iv) Copy of commercial bid **without indicating prices**.~~

~~(v) Integrity Pact duly signed by the bidder's authorized signatory to sign the Bid, if applicable.~~

~~(D) Envelope-D : Containing Commercial /Priced Bid comprising of following:~~

~~(i) Bid Form as per Proforma-IIA.~~

~~(ii) Price-Bid Format as per SECTION-V.~~

~~The composite Bid shall contain the prices along with the currency quoted and any other commercial information pertaining to the service offered.~~

6.0 **BID FORM:** The bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the Bid Document.

7.0 **BID PRICE:**

7.1 Unit prices must be quoted by the bidders, both in words and in figures. In case of any discrepancy between the words and in figures, the prices indicated in words only will be considered.

7.2 Price quoted by the successful bidder must remain firm during its performance of the Contract and is not subject to variation on any account.

7.3 All duties (except customs duty which will be borne by the Company) and taxes (excluding service tax) including Corporate Income Taxes and other Cess / levies payable by the successful bidder under the Contract for which this Bidding Document is being issued, 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, personal taxes and/or any corporate taxes arising out of the profits on the contract as per rules of the country shall be borne by the bidder.

8.0 **CURRENCIES OF BID AND PAYMENT:**

8.1 ~~A bidder expecting to incur its expenditures in the performance of the Contract in more than one currency, and wishing to be paid accordingly, shall so indicate in the bid. In such a case, the bid shall be expressed in different currencies and the respective amounts in each currency shall together make up the total price.~~

8.2 ~~Indian bidders too can submit their bids in any currency (including Indian Rupees) and receive payment in such currencies on par with foreign bidders. However, currency once quoted will not be allowed to be changed.~~

9.0 **DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATIONS:**

These are listed in **SECTION-VII**.

10.0 **BID SECURITY:**

10.1 Pursuant to clause 5.0 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 the security's forfeiture, pursuant to sub-clause 10.7.

10.3 The Bid Security shall be denominated in the currency of the bid or another freely convertible currency, and shall be in one of the following form:

(a) A bank guarantee or irrevocable Letter of Credit issued by a scheduled Indian bank or by a foreign bank through its Indian branch, in the form provided vide **Proforma-IID** or another form acceptable to the Company and valid for 30 days beyond the validity of the bids.

(b) A cashier's cheque or demand draft drawn on 'Oil India Limited' and payable at Delhi/Noida.

10.4 Any bid not secured in accordance with sub-clause 10.1 and / or 10.3 shall be rejected by the Company as non-responsive.

10.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned within 30 days after OIL's decision towards rejection of the offer(s).

10.6 Successful Bidder's Bid Security will be discharged upon the Bidder's signing of the contract and furnishing the performance security.

10.7 The Bid Security may be forfeited:

(a) If any Bidder withdraws or modifies their bid during the period of bid validity (including any subsequent extension) specified by the Bidder on the Bid Form, or

(b) If a successful Bidder fails:

i) To sign the contract within reasonable time & within the period of bid validity, and/or

ii) To furnish Performance Security.

10.8 Bid Security shall not accrue any interest during its period of validity or extended validity.

10.9 The bidder shall extend the validity of Bid Security suitably, if and when specifically advised by OIL, at bidder's cost.

11.0 **PERIOD OF VALIDITY OF BIDS:**

11.1 Bids shall remain **valid for 120** days after the date of bid opening prescribed by the Company.

11.2 In exceptional circumstances, the Company may solicit the Bidder's consent to an extension of the period of validity. The request and the response thereto shall be made in writing (or by Fax). The bid Security provided under para 10.0 shall also be suitably extended. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request will neither be required nor permitted to modify their bid.

12.0 **FORMAT AND SIGNING OF BID:**

12.1 The Bidder shall prepare four copies of the bid clearly marking original "ORIGINAL BID" and rest "COPY OF BID". In the event of any discrepancy between them, the original shall govern.

12.2 The original and all copies of the bid shall be typed or written in indelible inks and shall be signed by the Bidder or a person or persons duly authorised to bind the Bidder to the contract. The letter of authorisation (as per **Proforma-I**) 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, white fluid erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such correction shall be initialed by the person or persons signing the bid.

C. SUBMISSION OF BIDS

13.0 **SEALING AND MARKING OF BIDS:**

~~13.1 Offers should be submitted in envelopes (marked 'A', 'B', 'C' & 'D') containing Bid Security, Statement of Compliance, Technical bid and Commercial bid respectively in each envelope, as per clause 4.1, 4.2 and 5.0 above and in quadruplicate (one Original and 3 copies). The original bid shall be in bidder's own original letterhead duly signed by authorised signatory.~~

13.2 The Bidder shall seal the original and each copy of the bid duly marking as "ORIGINAL" and "COPY".

13.3 The **Envelope** should be superscribing the following on the right hand top corner:

- (i) Envelope No. _____
- (ii) Tender No. _____
- (iii) Bid Closing Date _____
- (iv) Bidder's Name _____

- 13.4 All the conditions of the contract to be made with the successful bidder are given in various Sections of this document. Bidders are requested to state their non-compliance to each clause as per **Proforma-II a**. This should be enclosed with the technical bid.
- 13.5 Timely delivery of the bids is the responsibility of the Bidder. Bidders should send their bids as far as possible by Registered Post or by Courier Services. **Bids may also be handed over to the Officer in Charge of receiving the bids before the bid closing date and time.** Company shall not be responsible for any postal delay/transit loss.
- 13.6 E-mail/ Fax/ Telex/Telegraphic/Telephonic offers will not be accepted.
- 14.0 ~~**INDIAN AGENTS:** Foreign Bidders are requested to clearly indicate in their quotation whether they have an agent in India. If so, the bidders should furnish the name and address of their agents and state clearly whether these agents are authorized to receive any commission. The rate of the commission included in the quoted rates of bidder should be indicated which would be payable to Agent in non-convertible Indian currency according to Import Trade Regulation of India. Unless otherwise specified, it will be assumed that an agency commission is not involved in the particular bid. Further, Bidders are requested to quote directly and not through their agents in India.~~
- 15.0 **DEADLINE FOR SUBMISSION OF BIDS:** Bids must be received by the company at the address specified in the "Forwarding Letter" not later than 14.30 Hrs. (Indian Standard Time) on the bid closing date mentioned in the "Forwarding Letter".
- 16.0 **LATE BIDS:** Any Bid received by the Company after the deadline for submission of bids prescribed by the Company shall be rejected.
- 17.0 **MODIFICATION AND WITHDRAWAL OF BIDS:**
- 17.1 The Bidder after submission of bid may modify or withdraw its bid by written notice prior to bid closing.
- 17.2 The Bidder's modification or withdrawal notice shall be prepared sealed, marked and dispatched in accordance with the provisions of clause 13.0. A withdrawal notice may also be sent by fax but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.
- 17.3 No bid can be modified / withdrawn subsequent to the deadline for submission of bids.
- 17.4 No bid may be withdrawn in the interval 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 shall result in the Bidder's forfeiture of its Bid Security.
- 18.0 **BID OPENING AND EVALUATION:**
- 18.1 Company will open the Bids, including submission made pursuant to clause 17.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, an authorization letter (as per **Proforma-I**) from the bidder must be produced by the Bidder's representative at the time of bid opening. Unless this Letter is presented, the representative will not be allowed to attend the bid opening. The Bidder's representatives who are allowed to attend the bid opening shall

- sign a register evidencing their attendance. Only one representative against each bid will be allowed to attend.
- 18.2 Bid for which an acceptable notice of withdrawal has been received pursuant to clause 17.0 shall not be opened. Company will examine bids to determine whether they are complete, whether requisite Bid Securities have been furnished, whether documents have been properly signed and whether the bids are generally in order.
- 18.3 Bid opening shall be done as detailed in clauses 4.1 and 4.2 above
- 18.4 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-clause 18.3.
- 18.5 To assist in the examination, evaluation and comparison of bids the 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 change in the price or substance of the bid shall be sought, offered or permitted.
- 18.6 Prior to the detailed evaluation, Company will determine the substantial responsiveness of each bid to the requirement of the Bidding Documents. For purpose of these paragraphs, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations or reservation. A material deviation or reservation is one which affects in any way substantial way the scope, quality, or performance of work, or which limits in any substantial way, in-consistent way 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 substantial responsive bids. The Company's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to extrinsic evidence.
- 18.7 A Bid determined as not substantially responsive will be rejected by the Company and may not subsequently be made responsive by the Bidder by correction of the non-conformity.
- 18.8 The Company may waive minor informality or nonconformity 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.
- ~~19.0 **OPENING OF COMMERCIAL/PRICED BIDS:**~~
- ~~19.1 Company will open the Commercial / Priced Bids of the technically qualified Bidders on a specific date in presence of interested qualified bidders. Technically qualified Bidders will be intimated about the bid opening date in advance.~~
- ~~19.2 The Company will examine the Price quoted by Bidders to determine whether they are complete, any computational errors have been made, the documents have been properly signed, and the bids are generally in order.~~
- ~~19.3 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 accordingly. If any Bidder~~

~~does not accept the correction of the errors, their bid will be rejected. If there is a discrepancy between words, and figures, the amount in words will prevail.~~

~~20.0 **CONVERSION TO SINGLE CURRENCY:** While evaluating the bids, the closing rate of exchange declared by State Bank of India on the day prior to price bid opening will be taken into account for conversion of foreign currency into Indian Rupees. Where the time lag between the opening of the price bids and final decision exceeds three months, the 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 **EVALUATION AND COMPARISON OF BIDS:** The Company will evaluate and compare the bids as per **Priced Bid Format (Section-V)** of the bidding documents.

21.1 **DISCOUNTS / REBATES :** Unconditional discounts/rebates, if any, given in the bid or along with the bid will be considered for evaluation.

21.1.1 **Post bid or conditional discounts/rebates offered by any bidder shall not be considered for evaluation of bids. However, if the lowest bidder happens to be the final acceptable bidder for award of contract, and if they have offered any discounts/rebates, the contract shall be awarded after taking into account such discounts/rebates.**

~~22.0 **LOADING OF FOREIGN EXCHANGE:** There would be no loading of foreign exchange for deciding the inter-se ranking of domestic bidders.~~

~~22.1 **EXCHANGE RATE RISK:** Since Indian bidders are now permitted to quote in any currency and also receive payments in that currency, company will not be compensating for any exchange rate fluctuations in respect of the services.~~

~~22.2 **REPATRIATION OF RUPEE COST:** In respect of foreign parties rupee payments made on the basis of the accepted rupee component of their bid, would not be repatriable by them. A condition to this effect would be incorporated by the Company in the contract.~~

23.0 **CONTACTING THE COMPANY:**

23.1 Except as otherwise provided in Clause 18.0 above, 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 except as required by Company vide sub-clause 18.5.

23.2 An effort by a Bidder to influence the Company in the Company's bid evaluation, bid comparison or Contract award decisions may result in the rejection of their bid.

D. AWARD OF CONTRACT

24.0 **AWARD CRITERIA:** The Company will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

- 25.0 **COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID:** Company reserves the right to accept or reject any or 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 of the grounds for Company's action.
- 26.0 **NOTIFICATION OF AWARD:**
- 26.1 Prior to the expiry of the period of bid validity or extended validity, the company will notify the successful Bidder in writing by registered letter or by cable or telex or fax or e-mail (to be confirmed in writing by registered / couriered letter) that its bid has been accepted.
- 26.2 The notification of award will constitute the formation of the Contract.
- 26.3 Upon the successful Bidder's furnishing of Performance Security pursuant to clause 28.0 the company will promptly notify each un-successful Bidder and will discharge their Bid Security, pursuant to clause 10.0 hereinabove.
- 27.0 **SIGNING OF CONTRACT:**
- 27.1 At the same time as the Company notifies the successful Bidder that its Bid has been accepted, the Company will either call the successful bidder for signing of the agreement or send the Contract Form provided in the Bidding Documents, along with the General & Special Conditions of Contract, Technical Specifications, Schedule of rates incorporating all agreements between the parties.
- 27.2 Within 30 days of issue of Letter of Award(LOA), the successful Bidder shall sign and date the contract and return it to the company. Till the contract is signed, the LOA issued to the successful bidder shall remain binding amongst the two parties.
- 27.3 In the event of failure on the part of the successful bidder to sign the contract within the period specified above or any other time period specified by Company, OIL reserves the right to terminate the LOA issued to the successful bidder and invoke the Bid Security as well as the Performance Security if submitted by the successful bidder. The party shall also be debarred for a period of 2(two) years from the date of default.
- 27.4 **FURNISHING FRAUDULENT INFORMATION/DOCUMENTS :**
If it found that a bidder/contractor has furnished fraudulent information/documents, the Bid Security/Performance Security shall be forfeited and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act besides the legal action.
- 28.0 **PERFORMANCE SECURITY:**
- 28.1 Within 02(Two) weeks of the receipt of notification of award from the Company the successful Bidder shall furnish the performance security for an amount specified in the Forwarding Letter as per the **Proforma-IIB** or in any other format acceptable to the Company and must be in the form of a bank guarantee or irrevocable Letter of Credit issued by a scheduled Indian bank or by a foreign bank through its Indian Branch. The performance security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfill its obligations under the Contract.
- 28.2 The performance security specified above must be valid as indicated in **Section-I** hereof. The same will be discharged by company not later than 30 days following its expiry.

- 28.3 The performance security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfill its obligations under the Contract.
- 28.4 The Performance Security will not accrue any interest during its period of validity or extended validity.
- 28.5 Failure of the successful Bidder to comply with the requirements of clause 27.0 or 28.0 shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security. In such an event the Company may award the contract to the next evaluated Bidder or call for new bid or negotiate with the next lowest bidder as the case may be.

29.0 BIDDERS' AWARENESS ON THE COMPLETE REQUIREMENT OF THE PROJECT:

- 29.1 Bidders in their own interest are advised to visit the site of the works in Noida (U.P.) to gather information about the site, its surroundings and for preliminary assessment for preparing their bids and for subsequent execution of the contract. However all expenses of the personnel including but not limited to their to and fro fares, boarding, lodging etc. to Noida shall be to prospective bidder's account.

29.2 Local Conditions:

It is imperative for each Bidder to fully inform themselves of all Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document. The bidders shall be deemed prior to submitting their bids to have satisfied themselves as to the circumstances at the Site, including without limitation and obtained for themselves all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the Contract price and its obligations under the Contract.

No request will be considered for clarifications from the Company (OIL) regarding such conditions, factors and legislation. It is understood and agreed that such conditions, factors and legislation have been properly investigated and considered by the Bidders while submitting the Bids. Failure to do so shall not relieve the Bidders from responsibility to estimate properly the cost of performing the work within the provided timeframe. Company (OIL) will assume no responsibility for any understandings or representations concerning conditions made by any of his officers or agents prior to award of the Contract. Company (OIL) shall not permit any Changes to the time schedule of the Contract or any financial adjustments arising from the Bidder's lack of knowledge and its effect on the cost of execution of the Contract.

29.3 Specifications:

Before submission of Bids, Bidders are requested to make themselves fully conversant with all Conditions of the Bid Document and other relevant information related to the works to be executed under this contract.

- 30.0 ~~**CREDIT FACILITY:** Bidders should indicate clearly in the bid about availability of any credit facility inclusive of Government to Government credits indicating the applicable terms and conditions of such credit.~~

~~31.0 **MOBILIZATION ADVANCE PAYMENT:**~~

~~31.1 Request for advance payment shall not be normally considered, however, depending on the merit and at the discretion of the company, advance against mobilization charge may be given at an interest rate of 1% above the prevailing Bank rate (CC rate) of SBI from the date of payment of the advance till recovery/refund.~~

~~31.2 Advance payment agreed to by the company shall be paid only against submission of an acceptable bank guarantee whose value should be equivalent to the amount of advance plus the amount of interest covering the period of advance. Bank guarantee shall be valid for 2 months beyond completion of mobilization and the same may be invoked in the event of Contractor's failure to mobilize as per agreement.~~

~~31.3 In the event of any extension to the mobilization period, Contractor shall have to enhance the value of the bank guarantee to cover the interest for the extended period and also to extend the validity of bank guarantee accordingly.~~

&&&&&

SECTION-III

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

In the contract, the following terms shall be interpreted as indicated:

- (a) "**The Contract**" means 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 Section II, the Terms of Reference.
- (d) "**Company**" or "OIL" means Oil India Limited;
- (e) "**Contractor**" means the Contractor performing the work under this Contract.
- (f) "**Contractor's Personnel**" mean the personnel to be provided by the Contractor (including their sub contractor's personnel) to provide services as per the contract.
- (g) "**Services**" means the work specified in **Section IV** and all other obligations to be complied with by Contractor pursuant to and in accordance with the terms of this contract
- (h) "**Specification**" means the description of the Equipment and/or Services set out in **Section IV**.

2.0 EFFECTIVE DATE, MOBILISATION TIME, DATE OF COMMENCEMENT OF CONTRACT AND DURATION OF CONTRACT:

2.1 The contract shall become effective as of the date Company notifies bidder in writing (through Letter of Award i.e. LOA) regarding awarding of contract. The duration of Contract, to be reckoned from the date of LOA, shall be a period as detailed in Section –IV.

~~2.2 The mobilization of equipment, personnel etc. should be completed by Contractor within the period as indicated in the Forwarding Letter. Mobilisation shall be deemed to be completed when Contractor's equipment and manpower are placed at nominated location in readiness to commence work as envisaged under the Contract duly certified by Company's representative.~~

~~2.3 The date on which the mobilisation is completed in all respects is treated as date of commencement of Contract. The duration of Contract, to be reckoned from the commencement date, shall be a period as detailed in Section –IV.~~

3.0 GENERAL OBLIGATIONS OF CONTRACTOR: Contractor shall, in accordance with and subject to the terms and conditions of this Contract:

Perform the work described in the Terms of Reference (Section IV) in most economic and cost effective manner.

Except as otherwise provided in the Terms of Reference and the special Conditions of the contract provide all labour as required to perform the work.

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.

Bidder shall be deemed to have satisfied himself before submitting his 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 insofar as otherwise provided, cover all its obligations under the contract.

Contractor will provide all necessary supervision throughout the period of this contract.

The equipment as specified in Section-IV will be used exclusively for OIL's operation during the entire contract period of the contract and any extension thereof.

Contractor shall strictly follow all the statutory norms and guidelines issued by the various Government agencies in regards to safety & environmental issues.

4.0 GENERAL OBLIGATIONS OF THE COMPANY: Company shall, in accordance with and subject to the terms and conditions of this contract:

4.1 Pay Contractor in accordance with terms and conditions of the contract.

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

4.2 Perform all other obligations required of Company by the terms of the contract.

5.0 PERSONNEL TO BE DEPLOYED BY CONTRACTOR

5.1 Contractor will provide competent, qualified and sufficiently experienced personnel to perform the work correctly and efficiently and shall ensure that such personnel observe applicable Company and statutory safety requirement. Upon Company's written request, Contractor, entirely at their own expense, shall remove within Ten (10) days for personnel of Indian origin and Twenty one (21) days for foreign residents, from assignment to the work, any personnel of the Contractor determined by the Company to be unsuitable and shall promptly replace such personnel with personnel acceptable to the Company without affecting Company's work.

5.2 The Contractor shall be solely responsible throughout the period of this contract for providing all requirements of their personnel including but not limited to their transportation to & fro Location, enroute / local boarding, lodging, medical attention etc. Company shall have no liability or responsibility in this regard.

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

6.0 WARRANTY AND REMEDY OF DEFECTS

- 6.1 Contractor warrants that they shall perform the work in a professional manner and in accordance with the highest degree of quality, efficiency and current state of the art technology/oil field practices and in conformity with all specifications and standards set forth or referred to in the Terms of Reference and with instructions and guidance which Company may, from time to time, furnish to the Contractor.
- 6.2 Should Company discover at any time during the tenure of the Contract or within 3 (Three) months after completion of operations that the Work does not conform to the foregoing warranty, Contractor shall after receipt of notice from Company, promptly perform any and all corrective work required to make the services conform to the Warranty. Such corrective Work shall be performed entirely at Contractor's own expenses. If such corrective Work is not performed within a reasonable time, the Company, at its option may have such remedial Work performed by others and charge the cost thereof to Contractor which the Contractor must pay promptly. In case Contractor fails to perform remedial work, or pay promptly in respect thereof, the performance security shall be forfeited.

7.0 CONFIDENTIALITY, USE OF CONTRACT DOCUMENTS AND INFORMATION:

- 7.1 Contractor shall not, without Company's prior 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.
- 7.2 Contractor shall not, without Company's prior written consent, make use of any document or information provided by the Company except for purposes of performing the contract.
- 7.3 Any document supplied to the Contractor in relation to the contract other than the Contract itself 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. All information obtained by Contractor in the conduct of operations and the information/maps provided to the Contractor shall be considered confidential and shall not be divulged by Contractor or its employees to any one other than the Company's personnel. This obligation of Contractor shall be in force even after the termination of the contract.

8.0 TAXES:

- 8.1 Tax levied as per the provisions of Indian Income Tax Act and any other enactment/rules on income derived/payments received under this contract will be on Contractor's account.
- 8.2 Contractor shall be responsible for payment of personal taxes, if any, for all the personnel deployed.
- 8.3 The Contractor shall furnish to the Company, if and when called upon to do so, relevant statement of accounts or any other information pertaining to work done under this contract for submitting the same to the Tax authorities, on specific request from them. Contractor shall be responsible for preparing and filing the return of income etc. within the prescribed time limit to the appropriate authority.

- 8.4 Prior to start of operations under the contract, the Contractor shall furnish the Company with the necessary documents, as asked for by the 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 the Contractor.
- 8.5 Tax clearance certificate for personnel and corporate taxes shall be obtained by the Contractor from the appropriate Indian Tax authorities and furnished to Company within 6 months of the expiry of the tenure of the contract or such extended time as the Company may allow in this regard.

Corporate income tax will be deducted at source from the invoice at the specified rate of income tax as per the provisions of Indian Income Tax Act as may be in force from time to time.

- 8.7 Corporate and personnel taxes on Contractor shall be the liability of the Contractor and the Company shall not assume any responsibility on this account.
- 8.8 All local taxes(including UP Entry Tax), levies and duties, sales tax, octroi, etc. on purchases and sales made by Contractor (except customs duty) shall be borne by the Contractor. Sales tax/Work contracts tax(including VAT) levied, if any, on rental/crew/other charges received by the contractor, under this Agreement shall be to contractor's account.
- 8.9 **Service Tax:** Service Tax as applicable shall be on Company's account. However, liability for payment of the service tax in case of Indian Contractor will lie on contractor while in case of the foreign Contractor, the liability shall lie on the Company.

9.0 **INSURANCE:**

- 9.1 The Contractor shall arrange insurance to cover all risks in respect of their personnel, materials and equipment belonging to the Contractor or its subcontractor during the currency of the contract.
- 9.2 Contractor shall at all time during the currency of the contract provide, pay for and maintain the following insurance amongst others:
- Workmen compensation insurance as required by the laws of the country of origin of the employee.
 - Employer's Liability Insurance as required by law in the country of origin of employee.
 - General Public Liability Insurance Act 1991 covering liabilities including contractual liability for bodily injury, including death of persons, and liabilities for damage of property. This insurance must cover all operations of Contractor required to fulfill the provisions under this contract.
 - Contractor's equipment used for execution of the work hereunder shall have an insurance cover with a suitable limit (as per international standards).
 - Automobile Public Liability Insurance covering owned, non-owned and hired automobiles used in the performance of the work hereunder, with bodily injury limits and property damage limits as governed by Indian Insurance regulations.

- 9.3 Contractor shall obtain additional insurance or revise the limits of existing insurance as per Company's request in which case additional cost shall be to Contractor's account.
- 9.4 Any deductible set forth in any of the above insurance shall be borne by Contractor.
- 9.5 Contractor shall furnish to Company prior to commencement date, certificates of all its insurance policies covering the risks mentioned above.
- 9.6 If any of the above policies expire or are cancelled during the term of this contract and Contractor fails for any reason to renew such policies, the Company will renew/replace same and charge the cost thereof to Contractor. Should there be a lapse in any insurance required to be carried out by the Contractor for any reason whatsoever, loss/damage claims resulting there from shall be to the sole account of Contractor.
- 9.7 Contractor shall require all of his sub-Contractor to provide such of the foregoing insurance coverage as Contractor is obliged to provide under this Contract and inform the Company about the coverage prior to the commencement of agreements with its sub-Contractors.
- 9.8 All insurance taken out by Contractor or his sub-Contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company.

10.0 CHANGES:

- 10.1 During the performance of the work, Company may make a change in the work mutually agreed within the general scope of this 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 order (Change Order) by the Company.
- 10.2 If any change result 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. Such estimates shall be based on the rates shown in the Price Bid Format(Section V). Upon review of Contractor's estimate, Contractor 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 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 13 hereunder. Contractor's performance of the work as changed will not prejudice Contractor's request for additional compensation for work performed under the Change Order.

11.0 FORCE MAJEURE:

- 11.1 In the event of either party being rendered unable by `Force Majeure' to perform any obligation required to be performed by them under the 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.

- 11.2 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.
- 11.3 Should 'Force Majeure' condition as stated above occur and should the same be notified within seventy two (72) hours after its occurrence the 'Force Majeure rate' shall apply for the first fifteen days. Either party will have the right to terminate the contract if such 'Force Majeure' condition continues beyond fifteen (15) 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 fifteen (15) days period unless otherwise agreed to. Time for performance of the relative obligation suspended by the 'Force Majeure' shall then stand extended by the period for which such cause lasts.

12.0 TERMINATION:

- 12.1 **TERMINATION ON EXPIRY OF THE TERMS (DURATION)**: This contract shall be deemed to have been automatically terminated on the expiry of duration of the contract or extension, if any, thereof.
- 12.2 **TERMINATION ON ACCOUNT OF FORCE MAJEURE**: Either party shall have the right to terminate this Contract on account of Force Majeure as set forth in Article 11.0 above.
- 12.3 **TERMINATION ON ACCOUNT OF INSOLVENCY**: In the event that the Contractor at any time during the term of this 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 this Contract and all the Contractor's rights and privileges hereunder, shall stand terminated forthwith.
- 12.4 **TERMINATION FOR UNSATISFACTORY PERFORMANCE**: If the Company considers that, the performance of the Contractor is, not as per the scope of the work as specified in the contract, the Company shall notify the Contractor in writing and specify in details the cause. The Company shall have the option to terminate this Contract by giving 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.
- 12.5 **TERMINATION DUE TO NON-AVAILABILITY OF EQUIPMENT:**
If at any time during the term of this Contract, breakdown of Contractor's equipment results in Contractor being unable to perform their obligations hereunder for a period of 95 (Ninety five) successive days in a year, 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.
- 12.6 **TERMINATION DUE TO CHANGE OF OWNERSHIP & ASSIGNMENT:** In case the Contractor's rights and / or obligations under this 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 this Contract.

12.7 **CONSEQUENCES OF TERMINATION:** In all cases of termination herein set forth, the relative obligations of the parties to the Contract shall be limited to the period up to the date of termination. Notwithstanding the termination of this Contract, the parties shall continue to be bound by the provisions of this Contract that reasonably require some action or forbearance after such termination.

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

12.10 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 demobilize their personnel & materials.

13.0 SETTLEMENT OF DISPUTES AND ARBITRATION:

13.1 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this 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 Duliajan, Assam/NOIDA/Delhi. The award made in pursuance thereof shall be binding on the parties.

14.0 NOTICES:

14.1 Any notice given by one party to other, pursuant to this Contract shall be sent in writing or Fax or e-mail and confirmed in writing to the applicable address specified below:

Company

a) **For contractual matters**

Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA-201 301
Fax No. 91-120-2488327
Email: corp_c&p@oilindia.in

b) **For Technical matters**

Executive Director (Audit)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA-201 301
FAX No. 91-120-2488310
Email: nbhalla@oilindia.in

c) **Contractor**

Fax No. :

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

15.0 SUBCONTRACTING: 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.

16.0 MISCELLANEOUS PROVISIONS:

- 16.1 Contractor shall give notices and pay all fees at their own cost required to be given or paid by any National or State Statute, Ordinance, or other Law or any regulation, or bye-law of any local or other duly constituted authority as may be in force from time to time in India, in relation to the performance of the services and by the rules & regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the services.
- 16.2 Contractor shall conform in all respects with the provisions of any Statute, Ordinance of Law as aforesaid and the regulations or bye-law of any local or other duly constituted authority which may be applicable to the services and with such rules and regulation 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, regulation or bye-law.
- 16.3 During the tenure of the Contract, Contractor shall keep the site where the services are being performed reasonably free from all unnecessary obstruction and shall store or dispose of any equipment and surplus materials and clear away and remove from the site any wreckage, rubbish or temporary works no longer required. On the completion of the services, Contractor shall clear away and remove from the site any Contractor's surplus materials, rubbish or temporary works of every kind and leave the whole of the site clean to the satisfaction of the Company.
- 16.4 Key personnel can not be changed during the tenure of the Contract except due to sickness/death/resignation of the personnel in which case the replaced person should have minimum experience and qualification, which will be again subject to approval, by the Company.

17.0 LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY COMPLETION:

- 17.1 Time will be of the essence of the contract.
- 17.2 In the event of the Contractor's default in maintaining the agreed completion period set out in the Contract, OIL shall have the right to cancel the Contract at any time after expiry of scheduled period without any reference to the Contractor and make alternative arrangement at the discretion of OIL in which case extra expenditure involved, will be recoverable from the Contractor and OIL shall not be responsible towards such cancellation or any damage that may be incurred by the Contractor. The decision of OIL shall be final and binding on the Contractor.
- 17.3 As an alternative to Clause No. 17.2 above, OIL reserve the right to accept the job; but, the Contractor shall be liable to pay liquidated damages @ 0.5% per week or part thereof of the value of the Contract for the defaulted period subject to a maximum of 7.5 %. Should there be default on the part of the Contractor for more than 15 Weeks from the scheduled date to completion, OIL shall have the right, in addition to the provisions under Clause 17.2 to invoke the Performance Security without causing any notice to the Contract to this effect.

The amount of liquidated damage as stipulated above is a pre-estimated genuine loss as agreed by both the parties and shall be payable without any demur and shall not be open for any dispute whatsoever.

17.4 The liquidated damage as agreed by both the parties as a genuine pre-estimated loss shall be payable on Grand Total Value of the Contract.

17.5 The Company also reserves the right to cancel the Contract without any compensation whatsoever in case of failure by the Contractor to commence operation within the stipulated period.

18.0 PERFORMANCE SECURITY: The Contractor has furnished to Company a Bank Guarantee No. _____ dated _____ issued by _____ for _____ (being 7.5% of estimated Contract Price) valid till _____ towards performance security. The performance security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfill their obligations under the Contract. In the event of extension of the Contract period, the validity of the bank guarantee shall be suitably extended by the Contractor. The bank guarantee will be discharged by Company not later than 30 days following its expiry.

19.0 ASSOCIATION OF COMPANY'S PERSONNEL: Company's engineer will be associated with the work through out the operations. The Contractor shall execute the work with professional competence and in an efficient and workman like manner and provide Company with a standard of work customarily provided by reputed international oil companies in the petroleum industry.

20.0 LABOUR: The recruitment of the labour shall be met from the areas of operation and wages will be according to the rates prevalent at the time which can be obtained from the District Authorities of the area. The facilities to be given to the labourers should conform to the provisions of labour laws as per contract labour (Regulation and Abolition) Act, 1970.

21.0 LIABILITY:

21.1 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 for loss of or damage to the equipment and/or loss of or damage to the property of the Contractor and/or their Bidder or sub-contractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Company and/or its servants, agent, nominees, assignees, Bidder and sub-Contractors. The 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.

21.2 Neither Company nor its servants, agents, nominees, assignees, Contractor, sub-contractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employee of the Contractor and/or of its Contractor or sub-contractor irrespective of how such injury, illness or death is caused and even if caused by the negligence of Company and/or its servants, agents nominees, assignees, Contractor and sub-contractors.

Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting there from.

- 21.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause their underwriters to waive their right of subrogation against Company and/or its underwrites, servants, agents, nominees, assignees, Contractor and sub-contractors for loss or damage to the equipment of the Contractor and/or its sub-contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract.
- 21.4 The Contractor hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, Contractors and sub-contractors for injury to, illness or death of any employee of the Contractor and of its Contractor, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the contract.
- 21.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, Contractor or sub-contractors shall have any liability or responsibility whatsoever to whomsoever for loss of or damage to the equipment and/or loss or damage to the property of the Company and/or their Contractors or sub-contractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Contractor and/or its servants, agents, nominees, assignees, Contractor and sub-contractors. The 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.
- 21.6 Neither Contractor nor its servants, agents, nominees, assignees, Contractors, sub-contractors shall have any liability or responsibility whatsoever to whomsoever for injury or illness, or death of any employee of the Company and/or of its Contractors or sub-contractors irrespective of how such injury, illness or death is caused and even if caused by the 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 liabilities and any suit, claim or expense resulting there from.
- 21.7 The Company agrees to waive its right of recourse and further agrees to cause its underwriters to waive their right of subrogation against Contractor and /or its underwriters, servants, agents, nominees, assignees, Contractor and sub-contractors for loss or damage to the equipment of Company and/or its Contractor sub-contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract.
- 21.8 The Company hereby further agrees to waive its right of recourse and agrees to cause it underwriters to waive their right of subrogation against Contractor and/or its underwriters, servants, agents, nominees, assignees, Contractors and sub-contractors for injury to, illness or death of any employee of the Company and of its Contractors, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the Contract.
- 22.0 CONSEQUENTIAL DAMAGE:** Except as otherwise expressly provided, neither party shall be liable to the other for special, indirect or consequential damages resulting from or arising out of the contract, including but without limitation, to loss or profit or business interruptions, howsoever caused and regardless of whether such loss or damage was

caused by the negligence (either sole or concurrent) of either party, its employees, agents or sub-contractors.

23.0 INDEMNITY AGREEMENT:

23.1 Except as provided hereof Contractor agrees to protect, defend, indemnify and hold Company harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments 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.

23.2 Except as provided hereof Company agrees to protect, defend, indemnify and hold Contractor harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Company's employees, agents, Contractor 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.

24.0 INDEMNITY APPLICATION: 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 cause of action may be caused, occasioned by or contributed to by the negligence, either sole or concurrent of either party.

25.0 PAYMENT, MANNER OF PAYMENT, RATES OF PAYMENT & INVOICING PROCEDURE:

25.1 Company shall pay to 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. All payments will be made in accordance with the terms hereinafter described.

25.2 **MANNER OF PAYMENT** : All payments due by Company to Contractor shall be made at Contractor's designated bank. All bank charges will be to Contractor's account. To enable the Company to arrange e-remittance ,the Appendix-I must be filled up/submitted by the bidder alongwith their bid.

25.3 Payment of any invoices shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the date of payment shall make and deliver to Contractor written notice of objection to any item or items the validity of which Company questions.

25.4 The company will issue necessary work-order for individual job(s). The Contractor shall furnish job completion report against each work order. The Format for the job completion report shall be prepared jointly by the Contractors and the Company's

representative after signing of the agreement. Contractor shall send invoice along with the job completion reports to Company after completion of individual job.

- 25.5 Contractor will submit 4(four) sets of all invoices to Company address given under **para 14.1 (b)** duly superscribed 'Original' and 'copy' as applicable for processing of payment. Separate invoices for the charges payable under the contract shall be submitted by the Contractor for foreign currency and Indian currency.
- 25.6 Contractor shall submit invoices to Company on the day following the end of each month for all daily or monthly charges due to the Contractor.
- 25.7 Payment of invoices, if undisputed, shall be made within 30 days following the date of receipt of invoice by Company excepting for the first two (2) invoices where some delay (up to one month) may occur.
- 25.8 Payment of invoices shall be made within 30 days following the date of receipt of the invoices by Company.
- ~~25.9 Payment of mobilization charges shall be made within 45 days following the date of receipt of undisputed invoices by Company. Mobilization should be complete in all respect before raising invoice.~~
- 25.10 Company shall within 20 days of receipt of the invoice notify Contractor of any item under dispute, specifying the reasons thereof, in which event, payment of the disputed amount may be withheld until settlement of the dispute, but payment shall be made of any undisputed portion. This will not prejudice the Company's right to question the validity of the payment at a later date as envisaged in sub-clause **25.3** above.
- 25.11 The 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 rights in respect of any other billing, the payment of which may then or thereafter be due.
- ~~25.12 Payment of demobilization charges shall be made when applicable within 45 days following receipt of invoice by Company accompanied by the following documents from the Contractor :-~~
- ~~a) — Audited account up to completion of the Contract.~~
 - ~~b) — Tax audit report for the above period as required under the Indian Tax Laws.~~
 - ~~c) — Documentary evidence regarding the submission of returns and payment to taxes for the expatriate personnel engaged by the Contractor or by its sub-contractor.~~
 - ~~d) — Proof of re-export of all items (excepting consumables consumed during the contract period) and also cancellation of re-export bond if any.~~
 - ~~e) — Any other documents as required by applicable Indian Laws.~~
- ~~In case of non-submission of the documents mentioned above by the Contractor before release of the final payment by the company no demobilization charges will be paid.~~
- 25.13 Contractor shall maintain complete and correct records of all information on which Contractor's invoices are based upto 2(two) 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.

26.0 WITHHOLDING: Company may withhold the whole or any part of the amount due to Contractor, after informing the Contractor of the reasons in writing, on account of subsequently discovered evidence in order to protect Company from loss on account of :-

- a) For non-completion of jobs assigned as per **Section-IV**.
- b) Contractor's indebtedness arising out of execution of this Contract.
- c) Defective work not remedied by Contractor.
- d) Claims by sub-Contractor of Contractor or others filed or on the basis of reasonable evidence indicating probable filing of such claims against Contractor.
- e) Failure of Contractor to pay or provide for the payment of salaries/ wages, contributions, taxes or enforced savings with-held from wages etc.
- f) Failure of Contractor to pay the cost of removal of unnecessary materials, tools, or machinery from the work site.
- g) Damage to another contractor's man and materials working for the Company.
- h) All claims against Contractor for damages and injuries, and/or for non-payment of bills etc.
- i) Any failure by Contractor to fully reimburse Company under any of the indemnification provisions of this Contract. If, during the progress of the work Contractor shall allow any indebtedness to accrue for which Company, under any circumstances in the opinion of Company may be primarily or contingently liable or ultimately responsible and Contractor shall, within five days after demand is made by Company, fail to pay and discharge such indebtedness, then Company may during the period for which such indebtedness shall remain unpaid, with-hold from the amounts due to Contractor, a sum equal to the amount of such unpaid indebtedness.

Withholding will also be effected on account of the following:-

- i) Order issued by a Court of Law in India.
- ii) Income-tax deductible at source according to law prevalent from time to time in the country.
- iii) Any obligation of Contractor which by any law prevalent from time to time to be discharged by Company in the event of Contractor's failure to adhere to such laws.
- iv) Any payment due from Contractor in respect of unauthorized imports.

When all the above grounds for withholding payments shall be removed, payment shall thereafter be made for amounts so with-hold.

Notwithstanding the foregoing, the right of Company to withhold shall be limited to damages, claims and failure on the part of Contractor, which is directly/indirectly related to some negligent act or omission on the part of Contractor.

27.0 SET OFF:

27.1 Any sum of money due and payable to the contractor (including Security Deposit) under this contract or any other contract may be appropriated by Oil India Limited and set off against any claim of Oil India Limited (or such other person or persons contracting through Oil India Limited) for payment of a sum of money arising out of this

contract or under any other contract made by the contractor with Oil India Limited (or such other person or person contracting through OIL.

28.0 APPLICABLE LAW:

28.1 The Contract shall be deemed to be a Contract made under, governed by and construed in accordance with the laws of India for the time being in force and shall be subject to the exclusive jurisdiction of Courts situated in Dibrugarh/ Guwahati/New Delhi.

28.2 The Contractor shall ensure full compliance of various Indian Laws and Statutory Regulations, to the extent applicable, 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) The Mines Act - as applicable to safety and employment conditions.
- b) The Minimum Wages Act, 1948.
- c) The Oil Mines Regulations, 1984.
- d) The Workmen's Compensation Act, 1923.
- e) The Payment of Wages Act, 1963.
- f) The Payment of Bonus Act., 1965.
- g) The Contract Labour (Regulation & Abolition) Act, 1970 and the rules framed thereunder.
- h) The Employees Pension Scheme, 1995.
- i) The Interstate Migrant Workmen Act., 1979 (Regulation of employment and conditions of service).
- j) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- k) ~~The AGST Act., WB & Bihar Tax Act~~
- l) Service Tax Act.
- m) Customs & Excise Act & Rules
- n) ~~Assam, West Bengal and Bihar Entry Tax Act~~
- o) Value Added Tax
- p) Environment Protection Act
- q) Public Liability Act

29.0 RECORDS, REPORTS AND INSPECTION: The Contractor shall, at all times, permit the Company and its authorised employees and representatives to inspect all the Work performed and to witness and check all the measurements and tests made in connection with the said work. The Contractor shall keep an authentic, accurate history and logs including safety records at all reasonable times for inspection by the Company's designated representatives and its authorised employees and representatives. The Contractor shall provide the Company designated representatives with a daily written report, on form prescribed by the Company showing details of operations during the preceding 24 hours. The Contractor shall not, without Company's written consent allow any third person(s) access to the said records, or give out to any third person information in connection therewith.

30.0 SUBSEQUENTLY ENACTED LAWS: Subsequent to the date of submission of Contractor's bid, if there is a change in or enactment of any law or interpretation of existing law, which results in additional cost/reduction in cost to Contractor on account of the operation under the Contract, the company/ Contractor shall reimburse/pay Contractor/company for such additional/reduced costs actually incurred.

31.0 ROYALTY AND PATENTS: Each party shall hold harmless and indemnify the other from and against all claim and proceedings for or on account of any patent rights, design, trade mark or other protected rights arising from any use of materials, equipment, processes, inventions and methods which have not been imposed on the attending party by the terms of the contract or the specifications or drawings forming part thereof.

32.0 WAIVER & 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 authorized 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.

&&&&&

SECTION IV
SCOPE OF WORK/TECHNICAL SPECIFICATION

SCOPE OF INTERNAL AUDIT – CORPORATE OFFICE, NOIDA

1. Checking for compliance of companies rules and procedures and point out deviation, if any.
2. Checking for proper systems / internal control systems and commenting on the effectiveness of the internal control checks in existence. Also to suggest improvement wherever necessary.

I. **CONTRACTS / PURCHASE REVIEW**

1. **Indenting/PR**

- Access to create indent/PR is restricted
- Indents/PRs are raised as per DOP
- Indents are not raised for materials already in stock
- Release/approval of Indents as per DOP
- Maker – Checker control is maintained
- All indents have expenditure sanction

2. **Tendering**

- Standard Clauses of Warranty, Guarantee, Penalty, Liquidated Damages, Time & Place of Delivery, Subject to Inspection, Right of Rejection, Submission of Invoice, Payment terms etc are maintained in RFQ's
- RFQ's are approved by Competent Authority
- Tenders are invited as per Co's policy with respect to Open Tenders, Limited Tenders, Single Tenders, etc
- RFQ's are not sent to Black listed Vendor
- Refundable Security deposit/PBG/Earnest money is duly received and accounted for in the Books
- Non refundable amounts like sale of tender documents, etc are duly received & accounted for in the Books
- Tenders were kept open for a reasonable period

3. **Evaluation of Bids**

- Bids are opened by authorized people on a specific day & time
- Comparative statements are prepared
- Statement should document the reasons for selection/rejection & the same should be signed off in each case
- Specific attention should be given to rejected Bids
- Overall criteria of Bid Evaluation should be checked

4. Placing Purchase/Work Order
 - Changes in terms, if any agreed upon, should be by competent authority(including user department) & should be properly documented
 - Orders are placed as per Co's Policy & user's requirement
 - maintained
 - Orders should be signed off on behalf of both OIL & Vendor
 - Standard Clauses as specified in case of RFQ's

5. Receiving
 - Good/Services are received as per the delivery schedule specified in the Order
 - GRN is generated only after acceptance & inspection of goods
 - No time lag between Goods receipt & Inspection
 - Tagging/Identification Marking on Goods before issuing it to the user Department
 - SES is prepared as soon as services are delivered

6. Payables
 - Payments are made strictly as per the terms agreed upon in the Order
 - Procedures for Invoice verification vis-a-vis Order, GRN/SES before making payment
 - Statutory Deductions like TDS, etc wherever applicable are made & remitted in time.
 - Special attention should be given to adjustment of advances, if any.

7. Closing
 - Refund of Security Deposit/Discharge of Bank Guarantee, Issue of TDS certificates, etc should be by competent authority
 - Acceptance from the Vendor should be obtained before closing the order & the same should be documented

8. Others
 - Cut off Procedures on quarter/year end should be monitored
 - Time involved in all the activities listed above should be reasonable
 - SAP should be updated with all relevant facts like terms, etc as soon as event occurs
 - Procedures for monitoring all open PR's/PO's/Work Order's, etc
 - Vendor Master should be analyzed for changes, etc
 - Controls should be monitored in E-Tendering environment
 - Access is restricted to competent persons only

II. FIXED ASSETS INVENTORY

- Compilation/verification of assets registers considering assets procured since inception.
- Reconciliation of fixed asset register with capital ledger.
- Physical verification of fixed assets inventory.
- Adequate procedures exist for safeguarding of fixed assets.
- Adequacy of insurance cover for fixed assets
- Check status of pending claim(s), if any

- Evaluation of utilization of fixed assets purchased in last 2-3 years to ascertain whether these have been optimally utilized and utilization of these resulted in tangible or other savings/efficiencies to the company as envisaged during the procurement process.
- Procedures of Discarding/Write off/Disposal of fixed assets
- Capital Work in Progress (CWIP) should be monitored vis-a-vis inventory list & installation certificate, specially at year/quarter ends
- Check Depreciation charge on fixed assets

III. EMPLOYEE (INCLUDING RETIRED) PAYMENTS REVIEW

- Payroll review
 - Recoveries
 - Disbursement
 - Variable Pay, Reimbursements, etc
- Scrutiny of all loan disbursements such as vehicle loan, house building loan, cycle advance, flood advance etc. including scrutiny of documents.
- Checking of recoveries of vehicle loans, house building loan, cycle advance, flood advance, PF loan, along with interest wherever applicable
- Checking of claims for LFA/Tours/Medical expenses and leave encashment.
- Checking of unpaid Salary/wages.
- Verify timely submission of various returns under PF Act, State's Act, etc
- Checking of time sheets with leave records. Leave encashed are appropriately reduced from the un-availed leaves
- Checking of tax recoveries. Verify statutory recoveries like PF, TDS, Professional tax etc and their remittances in time.
- Checking of overtime statements including comparison with the previous month – Number of hours vis-à-vis Department wise.
- Overtime control measures.
- Thorough checking of cheque encashment and the controls exercise.
- Access to employee Master is restricted.
- Employee master should be monitored for changes.

IV. TREASURY OPERATIONS REVIEW

1. Cash
 - Physical verification of cash including interest.
 - Review of procedure employed for safeguarding cash balance on hand
 - Review of average cash & bank balances maintained by the Company including idling of funds
2. Bank
 - Scrutiny of Bank Reconciliation Statements with emphasis on old open items.
 - Check Balance confirmation on quarter/year ends
3. Investments
 - To check whether investments have been made as per investment procedure approved by the Board read with DPE guidelines.
 - To check maturity of investments and accounting of interest.
 - Physical verification of term deposit receipts.

- To check whether Income as well as Tax deducted thereon have been duly recognized in the Books

V. TAX RELATED REVIEW

- Payment of Service Tax & Set off for Cenvat Credit
- Professional Tax
- Payment of Statutory Dues under Labour Laws
- To check TDS as per provisions of Income Tax Act
- To review filing of TDS/VAT/Service Tax returns including Assessment by Authorities
- Examine VAT payable on Works Contract
- Examine Service Tax payable in case of Import of Services

VI. REVIEW OF BUDGETARY CONTROLS & REPORT THE STATUS OF PLANNED EXPENDITURE (Revenue & Capital)

1. Estimation

- In case of Revenue budgets, check whether the technique of zero/matrix based budgeting is being followed or not
- Revenue and Capital budgets for the entire year should be broken down to facilitates comparison with the actual on a month to month basis
- Capital budgets (including seismic, drilling and procurement of equipment & facilities) should be supported with time bound utilization plan spelling out the physical activities.

2. Approval

- Budgets (including amendment therein) are approved as per the policy

3. Utilization

- Variance analysis (in terms of cost as well as physical activities) vis-à-vis budgets

4. Monitoring

- Check whether the procedures for escalation of abnormal variances to the approving authority are in place
- Necessary action is taken wherever required and the same should be documented
- Underutilized budgets should be duly closed in the system

5. Reporting

- Report quarterly on Budget versus Actual with reasons for shortfall & corrective action initiated

VII. MISCELLANEOUS REVIEW

- Scrutiny of miscellaneous claims.
- Scrutiny of payments of sundry advances and the system of clearance of advances.
- Vouching of miscellaneous payments such as rent rates, taxes, telephone bills, housing/company guesthouse etc.
- Scrutiny of vehicle utilization.
- Physical verification of assets/inventory
- To check whether delegation of powers has been strictly adhered to.
- Economy measures taken by the Project for reducing costs. Comparative analysis on monthly basis the revenue expenditure of the project office

separately in respect of communication expenses, local conveyance travel expenses, hired car, overtime, office expenses and compliance with Govt. guidelines.

- Inter-sphere reconciliation.
- Recoveries and / or progress in recoveries of Book Debts / outstanding claims, loans and advances particularly old / disputed dues to be monitored and reported to Audit Committee quarterly.
- Deposits / Securities etc. should be verified and balance confirmation should be obtained.
- Verification & Calculation of Guarantee fee charged by the Banks
- Review & Testing operating expenditure for significant accounts. Analytical reviews of such expenses & comparison with the budgets & previous periods amounts.
- Disposal/sale of obsolete/scrap items
- Analysis of slow moving/non moving items
- Usage of Guest House vis-à-vis Hotel accommodation

VIII. JV/ NELP REVIEW (Operated & Non Operated)

1. Budget

- Annual Work Plan & Budget (including amendments therein) is approved in OC/MC meetings as required by PSC/JOA
- Variance Analysis of actual performance vis-à-vis Budget
- Check the completion of Minimum Work Plan to avoid penalties, in case of Operated & Non Operated Blocks

2. Authorization Expenditure Request (AER)

- Check AERs issued by operators are approved as per PSC/JOA
- Check AERs are duly supported by Budget, Work Plan, etc
- In case of operated blocks, check AERs are submitted in time as required by PSC/JOA

3. Cash Calls

- Cash calls are raised as per PSC/JOA & approved AERs
- Cash calls are spent are towards AER for which it is called
- Where there is delay in receipt of cash calls, interest is duly charged as per JOA/PSC
- Payments of cash calls are duly authorized and made in time to avoid interest in terms of JOA/PSC
- Reconcile cash calls with actual expenditure (OIL's share)

4. Others

- Verify in detail all the compliances originating from JOA/PSC in terms of physical as well as administrative requirements
- Check accounting of JVC's, specially farm in & cut back entries
- Verify allocation of Joint/Head office expenses
- Verify overall reconciliation of each block in terms of Total cost vis-à-vis OIL's share
- Check manner of discharging and accounting OIL's share in statutory dues
- Verify Reporting to statutory bodies like DGH, etc

SCOPE OF INTERNAL AUDIT – RAJASTHAN PROJECT

In addition to the Scope of work as laid down in case of Corporate Office, audit of Rajasthan Project Office should include additional Scope –

SCRUTINY OF INCOME

- Checking sales invoices for sale of Natural gas/Condensate.
- Verify adequate debits/credits notes are raised as per the "discount and penalty clause" in the agreement.
- Verify that the rates of billing are as per Govt.'s directives or agreed terms.
- Verify the receipts and conduct enquiry into the long outstanding balances.
- Verify that periodical confirmation of balances is obtained from the customers.
- Scrutiny of collection & payment of Royalty, Sales Tax & other statutory levies.
- Checking of Misc. income, MGO, etc if any

Periodicity of Scope of Work

The Scope of work shall be covered in a phased manner, which shall be decided with the Audit Team before taking up the Audit for every quarter having regard to the directives of Audit Committee, but tentatively the following may be considered-

S.No	Audit Area	Sub Area	Corporate Office	Rajasthan Project
1	Contract/ Purchase Review	Receiving, Payables & Closing	Quarterly	Quarterly
		Indenting, Tendering, Evaluation & Award	Half Yearly	Half Yearly
		Others	Yearly	Yearly
2	Fixed Assets	Physical Verification	Yearly	Yearly
		Others	Quarterly	Quarterly
3	Employee Related	Payments	Half Yearly	Half Yearly
		Others	Yearly	Yearly
4	Treasury	Cash & Bank	Quarterly	Quarterly
		Investments	Quarterly	-NA-
5	Tax Related Review		Quarterly	Quarterly
6	Budgetary Controls		Quarterly	Quarterly
7	Miscellaneous		Quarterly	Quarterly
8	JV/NELP		Quarterly	Quarterly
9	Income		-NA-	Quarterly

Note: It may please be noted that the above list is only indicative and not exhaustive. However the Scope may be modified/ enlarged from time to time as deemed necessary.

Contractor’s Personnel:

Firms should also be requested to submit the name of the persons who would be involved from their end in the entire Audit along with their detailed bio-data. The persons must have a minimum of five years of post qualification (CA) experience as well as versed in Auditing under SAP R/3 environment. DISA / CISA qualification will be preferred.

Payment Schedule:

The payment will be released within 30 days of receipt of the invoice after acceptance of their final report after deduction of retention money and liquidated damages, if any as indicated in Section I.

SECTION-V

Schedule of Rates / Price Bid Format

Bidder shall quote rates for all the items as detailed below. The rates quoted in this Proforma shall only be considered for evaluation of offer. Bidder shall quote one single lump sum price for all the activities as detailed in the scope of work considering all applicable taxes (including Service Tax), charges and levies etc. for detail scope as mentioned. The bidder must take into consideration of all charges of their personnel including lodging, boarding and daily expenses while quoting the lump sum price.

Item No.	Description of work	Unit	Consolidated Fee in INR		
			FY10-11	FY11-12	FY12-13
1	Lump sum fees for all the activities as detailed in the Terms of reference / Scope of work inclusive of traveling, lodging, boarding, daily expenses, all other out of pocket expenses, all taxes including Service Tax & other duties as applicable; but, taxes/duties has to be indicated separately				
	(a) Corporate Office	Lump sum			
	(b) Rajasthan Project office	Lump sum			
Total Contract Value					

**Authorised
Person's Signature:** _____

Name: _____

Seal of the Bidder:

SECTION-VI

SPECIAL CONDITIONS OF THE CONTRACT

1.0 **SECRECY**

- 1.1 The Service provided shall be considered strictly confidential. The secrecy of the services shall be maintained by the Contractor even after the expiry of the Contractual service period.
- 1.2 You are requested not to divulge the contents of this NIT except to the person who has a clear need to know in order to submit the offer to us.
- 1.3 You are also responsible to ensure that all persons to whom the contents of this enquiry are disclosed shall keep such content confidential and shall not disclose or divulge the same to any un0authorised person.

2.0 **PERFORMANCE SECURITY**

- 2.1 The successful bidder shall furnish the performance security as per 'Proforma' attached to this bid document within 30 days of the receipt of notification towards award of contract, failing which OIL reserve the right to cancel the contract and forfeit the bid security, if any.
- 2.2 In the event of bidder's failure to discharge their obligations under the contract, the Performance Security shall be en-cashed and the proceeds thereof shall be forfeited without any further reference to the bidder.
- 2.3 The Performance Security amount shall not accrue any interest.
- 2.4 The bidder will extend the validity of the Performance Security, if and whenever specifically advised by OIL, at the bidder's cost.
- 2.5 The Bank Guarantee shall be enforceable at New Delhi/NOIDA.

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SECTION – VII

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

BID REJECTION CRITERIA (BRC):

A) GENERAL:

- 1.1 The bid not meeting the requirements given in section II (Terms of Reference / Scope of Work) will be rejected. Bids will also be rejected if the same do not cover the entire requirements as mentioned in Section-II. Partial offer will not be considered.

B) TECHNICAL :

- 1.1 Bids not submitted in specified format will summararily be rejected.
- 1.2 Bids submitted without relevant documentary proof will be rejected.
- 1.3 Bidder shall have to quote for all items as specified in Section IV. Part offer will be considered as non-responsive and rejected.
- 1.4 Bids received after the bid closing date and time will be rejected. Similarly, modifications to bids received after the bid closing date and time will not be considered.
- 1.5 Bids not complying with Delivery, warranty, penalty and payment term clauses shall be rejected.

C) COMMERCIAL

- 1.1 Bids are to be submitted in triplicate under single stage composite bid system i.e., Technical as well as Commercial details together in single offer.
- 1.2 Bidders must offer firm rates in Indian Rupees only. Rates quoted by the successful bidder must remain firm during the entire period of execution of the contract and not subject to variation on any account whatsoever. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 1.3 Bid security shall be furnished as part of the Composite 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, except those are exempted.
- 1.4 Bids received after the scheduled bid closing date and time will be rejected outright.

- 1.5 The Bid documents are not transferable. Bids submitted by parties to whom Tender was not issued will be rejected.
- 1.6 Any bid received in the form of Telex/Cable/Fax/E-Mail will not be accepted.
- 1.7 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder or his authorized representative on all pages, failing which the bid may be rejected.
- 1.8 Bids shall contain no interlineation, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person(s) signing the bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement shall be rejected.
- 1.9 Bids must be kept valid for a minimum period of 120 days from the date of scheduled bid closing. Bids with inadequate validity will be rejected.
- 1.10 Bidders must quote clearly and strictly in accordance with the Price Bid Format (Section –V) of bidding documents, otherwise the bid will be summarily rejected. The Bids in which the rates for any part of the work are not quoted shall be rejected. However, if no charge is involved for any of the work/item, '**NIL**' should be mentioned against such part of work.
- 1.11 Bidder must accept and comply with the following clauses as given in the Bidding Document in toto, failing which offer will be rejected-
- a) Performance Bank Guarantee clause.
 - b) Force Majeure clause
 - c) Tax liabilities clause
 - d) Arbitration clause
 - e) Applicable Law
 - f) Liquidated Damage clause
- 1.12 The Company also reserves the right to cancel/withdraw the Tender without assigning any reasons to the bidders, for which no compensation shall be paid to the bidder. The bidder must confirm their acceptance to this clause in their respective bids.

BID EVALUATION CRITERIA (BEC)

1.0 The bids conforming to the specifications, terms and conditions stipulated in the tender and considered to be responsive after subjecting to the Bid Rejection Criteria as well as verification of original of any or all documents/ documentary evidences pertaining to BRC, will be considered for further evaluation as per the Bid Evaluation Criteria given below:

To ascertain the inter-se-ranking, the comparison of the responsive bids will be made on Grand Total Value of the Contract as per Price Bid Format.

2.0 To evaluate the inter-se-ranking of the offers, all Tax/levies will be considered as per prevailing Govt. guidelines as applicable on bid closing date. Bidders may check this with the appropriate authority while submitting their offer.

3.0 In the event of computational error between the unit price and total price, unit price shall prevail for evaluation.

4.0 Similarly, in the event of discrepancy between the words and figure, words shall prevail and adopted for evaluation.

NOTE:

1.0 The Compliance statement must be filled up by bidders and to be submitted alongwith their bids. In case bidder takes exception to any clause of the bidding document not covered under BEC/BRC, then the Company has the discretion to load or reject the offer on account of such exception if the bidder does not withdraw/modify the deviation when/as advised by Company. The loading so done by the company will be final and binding on the bidders. No deviation will, however, be accepted in the clauses covered under BRC.

2.0 To ascertain the substantial responsiveness of the bids, Company reserves the right to ask the bidder for clarification in respect of clauses covered under BRC also and such clarification fulfilling the BRC clauses in toto must be received on or before the deadline given by the company, failing which the offer will be summarily rejected.

3.0 If any of the clauses in the BRC contradicts with other clauses of bidding document elsewhere, then the clauses in the BRC shall prevail.

PROFORMA - I

LETTER OF AUTHORITY

To,

Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

Sir,

Sub : OIL's Tender No. _____

We _____ confirm that Mr. _____ (Name and address) as authorized to represent us to Bid, negotiate and conclude the agreement on our behalf with you against Tender Invitation No. _____ for hiring of services for _____.

We confirm that we shall be bound by all and whatsoever our said representative shall commit.

Yours Faithfully,

Signature : _____
Name : _____
Designation : _____
For & on behalf of : _____

Note : This letter of authority shall be on printed letter head of the Bidder and shall be signed by a person competent and having the power of attorney (power of attorney shall be annexed) to bind such Bidder.

PROFORMA - II

STATEMENT OF COMPLIANCE WITH RESPECT TO BRC

SL. NO.	SECTION/ CLAUSE NO.	BRIEF STATEMENT	COMPLIANCE	REMARKS

We undertake that all the clauses of BRC as entered in the tender document shall be fully complied with.

Signature and seal of the Bidder :

Name of Bidder:

PROFORMA - IIa

STATEMENT OF NON-COMPLIANCE (EXCEPTING BRC)

SL. NO.	SECTION/ CLAUSE NO.	BRIEF STATEMENT	NONCOMPLIANCE	REMARKS

We undertake that excepting above deviations all the terms and conditions in the tender document shall be fully complied with.

Signature and seal of the Bidder :

Name of Bidder:

PROFORMA - II A

BID FORM

To

Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

Sub : Tender No. : _____

Dear Sir,

Having examined the General and Special Conditions of Contract and 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 sums stated below against each work as defined or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid:

S.No.		Total Bid Amount	
		Rupees in word	Rupees in figure
1			

We undertake, if our Bid is accepted, to commence the work within (.....) days calculated from the date of issue of Company's LOA.

If our Bid is accepted, we will obtain the guarantee of a bank in a sum not exceeding _____ for the due performance of the Contract.

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

Dated this _____ day of _____ 20__.

Signature and seal of the Bidder : _____
(In the capacity of) : _____
Name of Bidder : _____

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PROFORMA -II B
FORM OF PERFORMANCE BANK GUARANTEE

To: Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

WHEREAS _____(Name and address of Contractor) (hereinafter called "Contractor") had undertaken, in pursuance of Contract No. _____ 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 as security for compliance with Contractor's 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 Guarantors on behalf of the _____ Contractor, up to a total amount of (Amount of Guarantee in figure) Rs. _____ (Amount of Guarantee in word _____), such amount being payable in the types 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 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 modification of the terms of the Contract or the work to be performed there under or of any of the _____ Contract documents which may be made between you and the Contractor shall in any way cease us from any liability under this guarantee, and we hereby waive notice of such change, addition or modification.

This guarantee is valid until the date _____ (calculated at 7 months after Contract completion date).

SIGNATURE AND SEAL OF THE GUARANTORS: _____
Designation : _____
Name of Bank : _____
Address : _____

Witness : _____
Address : _____

Date : _____ Place : _____

PROFORMA – IIC

CONTRACT FORM

This Contract is made on ____ day of _____ between Oil India Limited, a Government of India Enterprise, incorporated under the Companies Act 1956, having its registered office at Duliajan in the State of Assam, hereinafter called the "Company" which expression unless repugnant to the context shall include executors, administrators and assignees on the one part, and M/s. _____(Name and address of Contractor), hereinafter called the "Contractor" which expression unless repugnant to the context shall include executors, administrators and assignees on the other part,

WHEREAS the Company desires that services _____ (brief description of services) should be provided by the Contractor as detailed hereinafter or as Company may requires;

WHEREAS, Contractor engaged themselves in the business of offering such services represents that they have adequate resources and equipment, material etc. in good working order and fully trained personnel capable of efficiently undertaking the operations and is ready, willing and able to carry out the said services for the Company as per Section- ___ attached herewith for this purpose and

WHEREAS, Company issued a firm Letter of Award (LOA) No. _____ based on Offer No. _____ submitted by the Contractor against Company's Tender No. _____ and Contractor accepted Company's LOA vide their letter No. _____. All these aforesaid documents shall be deemed to form and be read and construed as part of this contract. However, should there be any dispute arising out of interpretation of this contract in regard to the terms and conditions with those mentioned in Company's tender document and subsequent letters including the Letter of Award and Contractor's offer and their subsequent letters, the terms and conditions attached hereto shall prevail. Changes, additions or deletions to the terms of the contract shall be authorised solely by an amendment to the contract executed in the same manner as this contract.

NOW WHEREAS, in consideration of the mutual covenants and agreements hereinafter contained, it is hereby agreed as follows -

1. In this Contract words and expressions shall have the same meanings as are respectively assigned to them in the General Conditions of Contract referred to.
2. In addition to documents hereinabove, the following Sections and Annexures attached herewith shall be deemed to form and be read and construed as part of this Contract viz.:
 - (a) Section-III indicating the General Conditions of the Contract
 - (b) Section-IV indicating the Terms of Reference / Technical Specifications;
 - (c) Section-V indicating the Schedule of Rates.

(d) Section-VI indicating the Special Conditions of the Contract.

3. In consideration of the payments to be made by the Company to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Company to provide the Services and to remedy defects therein in conformity in all respect with the provisions of this Contract.
4. The Company hereby covenants to pay the Contractor in consideration of the provision of the Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS thereof, each party has executed this contract at Noida as of the date shown above.

Signed, Sealed and Delivered,

For and on behalf of
Company (Oil India Limited)

For and on behalf of
Contractor
(M/s. _____)

Name :

Name :

Status :

Status :

In presence of

In presence of

1.

1.

2.

2.

PROFORMA - II D

FORM OF BID SECURITY (BANK GUARANTEE)

To : Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

WHEREAS, (Name of Bidder) _____ (hereinafter called "the Bidder") has submitted their offer Dated_____ for the provision of certain oilfield services (hereinafter called "the Bid") against OIL INDIA LIMITED, Noida, India (hereinafter called the Company)'s tender No. : _____. KNOW ALL MEN BY these presents that we (Name of Bank) _____ of (Name of Country) _____ having our registered office at _____ (hereinafter called "Bank") are bound unto the 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 _____ 20_.

THE CONDITIONS of this obligations are :

- (1) If the Bidder withdraws/modifies their Bid during the period of Bid validity specified by the Bidder; or
- (2) If the Bidder, having been notified of acceptance of their Bid by the Company during the period of Bid validity:
 - (a) Fails or refuses to execute the form of agreement in accordance with the Instructions to Bidders; or
 - (b) 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 (by way of letter / fax/cable), 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 (**)

and any demand in respect thereof should reach the Bank not later than the above date.

SIGNATURE AND SEAL OF THE GUARANTORS : _____

Name of Bank & Address : _____

Witness: _____

Address : _____

(Signature, Name and Address)

Date : _____ Place : _____

* The Bidder should insert the amount of the guarantee in words and figures.

** Date of expiry of Bank Guarantee should be minimum 30 days after the end of the validity period of the Bid.

APPENDIX I

[TO BE FILLED-UP / SUBMITTED BY THE VENDOR ON ITS LETTER HEAD FOR E-REMITTANCE]

Name	:	
Address	:	
Phone No. (Land Line)	:	
Mobile No.	:	
E-mail address	:	
Bank Account No. (in which you want the remittance against your bills)	:	
Bank Name	:	
Branch	:	
Address of the Bank	:	
Bank Code	:	
IFSC / RTGS Code of your Bank	:	
NEFT CODE of your Bank	:	
PAN No.	:	
VAT Registration No.	:	
Sales Tax Registration No.	:	
Service Tax Registration No.	:	

Signature of Vendor with Official Seal

**LIST OF CHARTERED ACCOUNTANT FIRMS
TO WHOM THE TENDER HAS BEEN ISSUED**

1. M/s. P S D & Associates,
324, Ganpati Plaza
M. L. Road
JAIPUR-302 001
Tel : 0141-2389180 / 9929097300
2. M/s. S Bhandari & Co.
P-7, Tilak Marg
Ashok Nagar, C-Scheme
JAIPUR-302 005
Tel : 0141-2385412 / 9829066300
3. M/s. V. Sankar Aiyar & Co.
2-C, Court Chambers
35, New Marine Lines
MUMBAI-400 020
Tel : 022-22071080 / 9820016619
4. M/s. G P Kapadia & Co.
4th Floor, Hamam House
Ambalal Doshi Marg
Fountain, Fort
MUMBAI-400 001
Tel : 022-22654239 / 9820518473
5. B K Khare & Co.
708, Sharda Chambers
New Marine Lines
MUMBAI-400 020
Tel ; 022-22006360 / 9820237987
6. M/s. Suresh Chandra & Associates
610, New Delhi House
27, Barakhamba Road
NEW DELHI-110 001
Tel : 011-43695501 / 4369551 / 9811036213
7. M/s. Mehra Goel & Co.
505, Chiranjiv Tower
Nehru Place
NEW DELHI-110 019
Tel : 011-26419527 / 2643034

Contd.....P/2.

8. M/s. K K Soni & Co.
130, Sarojini Market
NEW DELHI-110 23
Tel : 011-24673254 / 268808 / 9810908668
9. M/s. Thakur Vaidyanath Aiyar And Co.
221-223, Deen Dayal Marg
NEW DELHI-110 002
Tel : 011-23236958
10. M/s. S C Ajmera & Co.
18, Technocrat Housing Society
Moti Nagri Scheme
UDAIPUR-313 004
Tel : 0294-242505 / 32911 / 9414168501
11. M/s. PricewaterhouseCoopers Pvt. Ltd.
Building 8, 7th & 8th Floor
Tower B, DLF Cyber City
GURGAON-122 002(Haryana)
Tel : 91124-4620000 / 3060000
Kind Attn : Ms. Chander Narang
12. M/s. Deloitte Touche Tohmatsu India pvt. Ltd.
Building 10, 7th Floor
Tower B, DLF Cyber City complex
DLF City Phase-II
GURGAON-122 002(Haryana)
Tel : 91124-679 2000
Kind Attn : Mr. Jitendra Agarwal / Ms. R. Kashyap
13. M/s. KPMG
Building 10, 8th Floor
Tower B, DLF Cyber City, Phase-II
GURGAON-122 002(Haryana)
91124-3074 000
Kind Attn : Mr. Ashim Vohra
14. M/s. Ernst & Young Pvt. Ltd.,
Building 8, 1st Floor, Tower A,
DLF Cyber City; Phase-2, Sector – 25
Gurgaon-122002 (Haryana)
Tel : 91-124-4575000
Kind Attn : Mr.Raju Lal