



**Oil India Limited**  
(A Govt. of India Enterprise)  
P.O. DULIAJAN, DIST. DIBRUGARH,  
ASSAM, INDIA, PIN-786 602

**CONTRACTS DEPARTMENT**  
**TEL: (91) 374-2800548**  
**E-mail: [contracts@oilindia.in](mailto:contracts@oilindia.in)**  
**Website: [www.oil-india.com](http://www.oil-india.com)**  
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**FORWARDING LETTER**

**To,**

- i) M/s Baker Hughes Inteq, Mumbai
- ii) M/s Schlumberger Asia Services Ltd., Mumbai
- iii) M/s Halliburton Offshore Services Inc., Mumbai
- iv) M/s KMC Oil Tools, Mumbai
- v) M/s MI Overseas Limited, Mumbai
- vi) M/s BJ Services Company Middle East Limited, Mumbai
- vii) M/s Brandt, A Varco Companies, Dubai(UAE)

**TENDER NO. OIL/CCO/BEP/GLOBAL/225/2008**

**Description: Hiring of Centrifuge Services for Drilling one Exploratory Well in Sadhupur-1, Orissa**

Dear Sirs,

1.0 OIL INDIA LIMITED (OIL), Government of India Enterprise, is a premier oil company engaged in exploration, production and transportation of crude oil & natural gas with its Headquarters at Duliajan, Assam. Duliajan is well connected by Air with nearest Airport being at Dibrugarh, 45 km away.

2.0 In connection with its operations, OIL invites International Competitive Bids (ICB) from competent and experienced contractors for providing the above services. One complete set of bid document covering OIL's tender for hiring of above services is being forwarded herewith. You are invited to submit your most competitive bid on or 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/CCO/BEP/GLOBAL/225/2008
- (ii) Type of Bid: Single Stage-Two Bid
- (iii) Bid Closing date & Time: 11-September-2008 at 12-45 Hrs (IST)

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- (iv) Technical Bid Opening date & time: 11- September-2008 at 13.00 Hrs (IST)
- (v) Commercial Bid Opening Date: Will be intimated to the eligible  
& time bidder nearer the time
- (vi) Bid Submission Place: Head (Contracts),  
Oil India Limited, Duliajan-786602,  
Assam, India
- (vii) Bid Opening Place: Office of the Head (Contracts)  
Oil India Limited  
Duliajan – 786602, Assam, India
- (viii) Bid Security Amount: **Not Applicable**
- (ix) Amount of Performance Guarantee: 10 % of the total estimated contract  
value
- (x) Mobilisation Time(Tool/Equipment): 20 days from the date of issue of LOA.
- (xi) Quantum of Liquidated Damage for Default in Timely Mobilisation 1/2% of total contract value for delay  
per week or part thereof subject to  
maximum of 7.1/2%
- (xiii) Bids to be addressed to: HEAD (CONTRACTS)  
OIL INDIA LIMITED  
DULIAJAN - 786 602  
ASSAM, INDIA

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

Thanking you,

Yours faithfully,  
OIL INDIA LIMITED

**( A. C. Bhatta )**  
**HEAD (CONTRACTS)**  
**For EXECUTIVE DIRECTOR(SS & SB)**

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## **PART-1**

### **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.

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 or by Fax 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.

5.0 **DOCUMENTS COMPRISING THE BID:** The bid submitted by the Bidder shall comprise of the following components:

##### **TECHNICAL BID**

- (i) Complete technical details of the services and equipment specifications with catalogue, etc.
- (ii) Documentary evidence established in accordance with clause 9.0.
- (iii) ~~Bid Security furnished in accordance with clause 10.0.~~
- (iv) Statement of Non-compliance as per Proforma-D
- (v) Proforma-A showing the items to be imported without the CIF values.

- (vi) Copy of commercial bid **without indicating prices** (Proforma-B)

**COMMERCIAL/PRICE BID**

- (i) Bid Form as per Proforma-C.  
(ii) Price-Bid Format as per Proforma-B.  
(iii) Estimated CIF value as per Proforma-A.

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.

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 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 -IV**.

10.0 **BID SECURITY: DELETED**

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-G** 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 Duliajan, Assam.

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 of expiry of the period of bid validity.

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.

**11.0 PERIOD OF VALIDITY OF BIDS:**

11.1 Bids shall remain **valid for 60** 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-H**)

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 The tender is being processed according to a single stage - Two bid procedure. Offers should be submitted in two parts viz. Technical bid and Commercial bid each in quadruplicate (one Original and 3 copies).

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

13.3 The cover containing the Technical Bid (Original + 3 copies) should be in one sealed cover bearing the following on the right hand top corner.

- (i) Envelope No.1 Technical bid
- (ii) Tender No. \_\_\_\_\_.
- (iii) Bid closing date \_\_\_\_\_.
- (iv) Bidder's name \_\_\_\_\_.

13.4 The cover containing the Commercial Bid (Original + 3 copies) should be in a separate sealed cover bearing the following on the right hand top corner.

- (i) Envelope No.2 Commercial bid
- (ii) Tender No. \_\_\_\_\_.
- (iii) Bid closing date \_\_\_\_\_.
- (iv) Bidder's name \_\_\_\_\_.

13.5 The above mentioned two separate covers containing Technical and the Commercial bids should then be put together in another envelope bearing the following details on the top and the envelope should be addressed to the person(s) as mentioned in the "Forwarding Letter".

- (i) Tender No. \_\_\_\_\_.
- (ii) Bid closing date \_\_\_\_\_.
- (iii) Bidder's name \_\_\_\_\_.

13.6 The offer should contain complete specifications, details of services and equipment/accessories offered together with other relevant literature/ catalogues of the equipment offered. The Bid Security mentioned in clause 10.0 should be enclosed with the Technical Bid. **The price Schedule should not be put in the envelope containing the Technical Bid.**

13.7 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 compliance/ non-compliance to each clause as per **Proforma-D**. This should be enclosed with the technical bid.

13.8 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. Company shall not be responsible for any postal delay/transit loss.

13.9 Cable/Fax/E-mail/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 12-45 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 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 authorisation letter (as per **Proforma-H**) 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 At bid opening, Company will announce the Bidder's names, written notifications of bid modifications or withdrawal, if any, the presence of requisite Bid Security, and such other details as the Company may consider appropriate.

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/PRICE BIDS:**

19.1 Company will open the Commercial 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 Section-IV of the bidding documents.

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 (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 receipt of the final contract document, the successful Bidder shall sign and date the contract and return it to the company.

28.0 **PERFORMANCE SECURITY:**

28.1 Within 30 days 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-E** 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 for 12 months (plus 3 months to lodge claim, if any) after the date of expiry of the tenure of the contract to cover the warranty obligations indicated in clause 6.0 of **Section-I**

hereof. The same will be discharged by company not later than 30 days following its expiry.

28.3 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 **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.

30.0 **MOBILISATION ADVANCE PAYMENT:**

30.1 Request for advance payment shall not be normally considered. However, depending on the merit and at the discretion of the company, advance against mobilisation 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.

30.2 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 mobilisation and the same may be invoked in the event of Contractor's failure to mobilise as per agreement.

30.3 In the event of any extension to the mobilisation 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.

**END OF PART - I**

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## **PART-2**

### **SECTION-I**

#### **GENERAL CONDITIONS OF CONTRACT**

##### **1.0 DEFINITIONS:**

1.1 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**" means the personnel to be provided by the Contractor to provide services as per the contract.
- (g) "**Company's Personnel**" means the personnel to be provided by OIL or OIL's Contractor (other than the Contractor executing the Contract). The Company representatives of OIL are also included in the Company's personnel.

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

2.1 The contract shall become effective as of the date Company notifies Contractor in writing (through Letter of Intent) that it has been awarded the contract.

2.2 The mobilization of Tools, equipment & personnel etc. should be completed by Contractor within 20 days from the effective date of the contract. Mobilization shall be deemed to be completed when Contractor's equipment and manpower are placed at the nominated location in readiness to commence Work as envisaged under the Contract duly certified by the Company's representative.

2.3 The date on which the mobilization 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 till the date of completion of drilling operation in the well and upon issue of demobilization notice by Company.

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

3.1 Perform the work described in the Terms of Reference (Section II of Part-2) in most economic and cost effective manner.

3.2 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.

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

3.4 Contractor shall be deemed to have satisfied 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.

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

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.

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

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

5.0 **PERSONNEL TO BE DEPLOYED BY CONTRACTOR:**

5.1 Contractor warrants that they 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 immediately, 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 well-site, 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 first class, workmanlike, and 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, standards and drawings 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 one year after completion of the 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 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 in India.

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.

8.6.1 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, levies and duties, sales tax, octroi, etc. on purchases and sales made by Contractor (except customs duty) shall be borne by the Contractor.

8.9 **Service Tax:** Service Tax if any as applicable and/or levied on payments against this contract shall be paid by the Company at actual against documentary evidence.

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:

- a) Workmen compensation insurance as required by the laws of the country of origin of the employee.
- b) Employer's Liability Insurance as required by law in the country of origin of employee.
- c) General Public Liability Insurance 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.
- d) Contractor's equipment used for execution of the work hereunder shall have an insurance cover with a suitable limit (as per international standards).
- e) 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.
- f) Public Liability Insurance as required under Public Liability Insurance Act 1991.

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, then 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 therefrom 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 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 affected 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 Schedule of Rates (Section IV). 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 occurs and should the same be notified within seventy two (72) hours after its occurrence the 'force majeure rate' shall apply for the first ten days. Either party will have the right to terminate the contract if such 'force majeure' condition continues beyond ten (10) days with prior written notice. Should either party decide not to terminate the contract even under such condition, no payment would apply after expiry of ten(10) days period unless otherwise agreed to. 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 unsatisfactory, or not upto the expected standard, the Company shall notify the Contractor in writing and specify in details the cause of the dissatisfaction. The Company shall have the option to terminate 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 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.

12.6 If at any time during the term of this Contract, breakdown of Contractor's equipment results in Contractors being unable to perform their obligations hereunder for a period of 15 successive days, 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.

12.7 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 15 (fifteen) days written notice to the Contractor due to any other reason not covered under the above clause from 12.1 to 12.6 and in the event of such termination the Company shall not be liable to pay any cost or damage to the Contractor except for payment of services as per the Contract up to the date of termination.

12.8 **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 upto 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.

12.9 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.

12.11 Demobilisation charges in the event of termination under clause 12.3, 12.4, 12.5 and 12.6 will not be payable. Further, demobilisation charges will not also be payable under clause 12.7 if termination is due to Contractor's default.

**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 Guwahati/New 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 by telex or Fax and confirmed in writing to the applicable address specified below :

- |   |   |
|---|---|
| <p>a) <b><u>Company</u></b><br/><b><u>For contractual matters</u></b><br/>Head (Contracts)<br/><b>OIL INDIA LIMITED</b><br/>PO DULIAJAN - 786602<br/>ASSAM, INDIA<br/>Tel No. 0091-374-2800548<br/>Fax No. 0091-374-2803549<br/>Email: <a href="mailto:contracts@oilindia.in">contracts@oilindia.in</a></p> | <p>b) <b><u>For technical matters</u></b><br/>General Manager (OD&amp;RS)<br/><b>OIL INDIA LIMITED</b><br/>PO Duliajan - 786602,<br/>Assam, India</p> |
| <p>c) <b><u>Contractor</u></b><br/>_____<br/>_____<br/>Fax No. :</p>  |   |

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

15.0 **SUBCONTRACTING:**

15.1 Contractor shall not subcontract or assign, in whole or in part, its obligations to perform under this contract, except with Company's prior written consent.

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 surplus materials, rubbish or temporary works of every kind and leave the whole of the site clean and in workmanlike condition 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 equal experience and qualification, which will be again subject to approval, by the Company.

17.0 **LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY MOBILISATION:**

17.1 Time is the essence of this Contract. In the event of the Contractor's default in timely mobilization for commencement of operations within the stipulated period, the Contractor shall be liable to pay liquidated damages at the rate of 1/2% of the total contract value per week or part thereof of delay subject to maximum of 7.5%. Liquidated Damages will be reckoned from the date after expiry of the scheduled mobilisation period till the date of commencement of Contract as defined in Clause No. 2.0 of Section – I of Part-2.

17.2 The Company also reserves the right to cancel the Contract without any compensation whatsoever in case of failure to mobilize and 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 10% 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 **PAYMENT & MANNER OF PAYMENT, INVOICES**

19.1 Company shall pay to Contractor, during the term of the contract, the amount due from time to time 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.

19.2 All payments due by Company to Contractor hereunder shall be made at Contractor's designated bank with Reserve Bank of India (RBI)'s approval, if applicable. Bank charges, if any, will be on account of the Contractor.

19.3 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 within notice of objection to any item or items, the validity of which Company questions.

19.4 Contractor will submit six sets of all invoices to Company for processing of payment. Separate invoices for the charges payable under the Contract shall be submitted by Contractor for foreign currency and Indian currency.

19.5 Contractor shall raise invoice for the lump sum mobilization charges when the entire equipment is ready at respective sites, duly certified by **Company's representative**, for starting the work.

19.6. The Contractor shall raise monthly invoices for the data acquired against completed seismic profiles only during the month and that has been handed over to the Company at Duliajan along with Up-hole (static correction) data and necessary topographic survey data / observer report etc. The data submitted without these shall be considered as incomplete. No payment shall be made for incomplete seismic profiles.

19.7 Payment of monthly invoices, if undisputed shall be made within 45 days following the date of receipt of invoice by Company excepting for the first two (2) monthly invoices where some delay (upto one month) may occur.

19.8 The Company shall within 30 days of receipt of the invoice notify Contractor of any item under dispute, specifying the reason there of, 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 on or before

the due date. This will not prejudice the Company's right to question the validity of the payment at a later date as envisaged in Para 19.3 above.

19.9 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.

19.10 Contractor shall maintain complete and correct records of all information on which Contractor's invoices are based upto two (2) years from the date of last invoice. Such records shall be required for making appropriate adjustments or payments by either party in case of subsequent audit query/objection

**20.0 RATE OF PAYMENT:** Company shall make the payments to the Contractor as per the quoted rates as referred to in Section III of Part-2.

**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 Contractors 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, Contractors 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 therefrom.

21.2 Neither Company nor its servants, agents, nominees, assignees, Contractors, sub-contractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employee of the Contractor and/or of its Contractors 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, Contractors and sub-Contractors. Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting therefrom.

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, Contractors 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 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.

21.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, Contractors or sub-Contractors shall have any liability or responsibility whatsoever to whomsoever 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, Contractors 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 therefrom.

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 therefrom.

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, Contractors and sub-Contractors for loss or damage to the equipment of Company and/or its Contractors or 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 **WAIVERS AND AMENDMENTS:** It is fully understood and agreed that none of the terms and conditions of the Contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the

duly 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.

**24.0 INDEMNITY AGREEMENT:**

24.1 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.

24.2 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, 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.

**25.0 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.

**26.0 WITHHOLDING:** Company may withhold or nullify 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 II of Part-3.
- 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 other field 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, unemployment compensation, taxes or enforced savings withheld from wages etc.
- f) Failure of Contractor to pay the cost of removal of unnecessary debris, materials, tools, or machinery.
- g) Damage to another Contractor of 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 the 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. When all the above grounds for with-holding payments shall be removed payment shall thereafter be made for amounts so withheld. With-holding 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.

#### 27.0 **APPLICABLE LAW**

27.1 The Contract shall be deemed to be a contract made under, governed by and construed in accordance with the laws of India.

27.2 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 there under.
- 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 & Miscellaneous Provisions Acts, 1952
- k) The AGST Act., Orissa Sales Tax act, WB & Bihar Sales Tax Act
- l) Service Tax Act

- m) Customs & Excise Act & Rules
- n) Assam, West Bengal, Bihar & Orissa Entry Tax Act.
- o) Oil Industry Safety Directorate (OISD) guidelines.
- p) Forest Conservation Act, 1980.

***END OF SECTION - I***

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## **SECTION - II**

### **TERMS OF REFERENCE AND TECHNICAL SPECIFICATIONS**

#### **HIRING OF CENTRIFUGE SERVICE**

##### **1.0 INTRODUCTION :**

Oil India Limited (OIL), an integrated National oil Company, has been carrying out oil exploration and development since early fifties. This section establishes the scope and schedule for the work to be performed by contractor in OIL's Bay Exploration Project (BEP) in Orissa and describes references, specifications, instructions, standards, other documents, the specifications for any materials, tools or equipment, which contractor shall satisfy or adhere to in the performance of the work.

##### **PREAMBLE:**

##### **2.0 BAY EXPLORATION PROJECT – BEP**

Oil India Limited (A Govt. of India Enterprise) is engaged in carrying out extensive exploration activities for oil & gas in "Mahanadi – Onshore" areas since early part of 1980. During its course of decades long exploration efforts, it has acquired a good volume of geo-scientific data that includes surface geological, aeromagnetic, gravity, magnetic and 2D seismic data. It has drilled 4(four) exploratory wells in the area during the year 1986-87 to test different plays & prospects from hydrocarbon accumulation point of view. Subsequent to the introduction of NELP by Govt. of India, OIL partnered with other petroleum majors viz. ONGCL, GAIL, IOCL & Sunterra and obtained PEL for exploration in parts of the "Mahanadi-onshore" area under NELP-II ( Block MN-ONN-2000/I). The chosen "Block" is situated in East Coast of India, covering parts of the districts of Cuttack, Puri, Kendrapara, Jagatsinghpur in the state of Orissa. The consortium is vigorously pursuing its activities in the "Block" and proposes to drill **1-exploratory well Sadhupur-I / SPR-I** under Bay Exploration Project by September, 2008 for testing possible Mesozoic prospects as primary objective.

##### **3.0 COMMUNICATION :**

The nearest airport to the location is Bhubaneswar (about 60 kilometer away), the nearest sea port is Paradip (about 50 kilometer) and the nearest major railway station is Cuttack (about 35 kilometer). The road communication to the location is through National Highway :NH-5/5A. The location is 25 kilometer away from NH-5A (via Duhuria) & alternatively it is 35 kilometer (via Jagatpur) through state highway to Nischinta Koili. Finally there is a 2.5 kilometer newly constructed road for approaching the location. The nearest well (TD: 2993 M) drilled in the area during the year 1987 is about 11.5 kilometer away from the proposed location SPR-I

**ADDRESS OF LOCATION :-**

**LOCATION** : **SADHUPUR – I**  
**VILLAGE** : **PANCHA SARANGA, BALARAMPUR**  
**BLOCK** : **NISCHINTA KOILI**  
**SUB DIVISION** : **SALIPUR**  
**POLICE STATION** : **SALIPUR**  
**DISTRICT** : **CUTTACK**  
**PIN** : **754207**  
**STATE** : **ORISSA**

**4.0 NO. OF WELLS & TARGET DEPTH (TD):**

One exploratory well is planned to be drilled during the period for which the Contractor will be providing the desired Bulk Handling Plant services as per terms of the Contract. This well is proposed to be drilled in the following ML/PEL areas of Company and it is obligatory on the part of the Contractor to provide intended services accordingly. Number of wells may vary and Company's decision in this regard will be final and binding.

Sl. No.	Location	Depth (Meter)	PEL/ML Area	Remarks
1	<b>Sadhupur-I</b>	4300	NELP-II Block:MN-ONN-2000/1	1. (Exploratory/Vertical) 2. Located at a distance of 60 Kilometer(approx) from Bhubaneshwar ( Orissa )

- NOTE :**
- As per prevailing customs rules, all imports for drilling operation in ML/PEL areas for which licenses have been granted / received or renewed after 01.04.1999 only are eligible for NIL rate of customs duty.
  - Necessary recommendatory letter for issuance of Essentiality Certificate by DGH for availing NIL rate of Customs Duty for imported tools, equipment (re-exportable in nature), spares and consumables will be issued by OIL on request. However, OIL will not assume any responsibility for non-issuance of Essentiality Certificate by DGH against any import for any reason whatsoever.

**5.0 Casing Policy :** The tentative casing/hole policy for the proposed exploratory and development drilling program is shown below :-

**“CASING POLICY”**

Location	Surface Casing ( 20 inch.) Hole Size:26"	Conductor Casing ( 13.3/8 inch.) Hole Size:17.1/2"	Isolation Casing ( 9.5/8 inch.) Hole Size:12.1/4"	Production Liner ( 7 inch. ) Hole Size:8.1/2"

"Sadhupur-I" (Orissa)	260 meter	1200 meter	3100 meter	4300 meter
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**NOTE** : The above is a tentative policy. The Setting depths might change depending on hydrocarbon shows and drilling conditions.

**6.0 SCOPE OF WORK :**

- i) OIL intends to hire expert services with **Centrifuge** including Tools / Equipment / Spares / manpower etc. in one exploratory drilling well under Bay Exploration Project. The contractor shall provide their service as detailed below.
- ii) The scope of work involves details of services to be performed by the contractor, details of Tools / Equipment & personnel to be provided by the contractor. However quantum of job may vary depending upon drilling activities to be taken up by the Company during the course of the contract and needs to be attended by the Contractor. The Contractor following mobilization of crew and equipment, will be required to provide the intended services as desired by the Company as and when required in line with the contractual terms.
- iii) This section establishes the scope of work to be performed by Contractor and describes references, specifications, instructions, standards and other documents, the specifications for any materials, tools or equipment, which Contractor shall satisfy or adhere to in the performance of the work.

**7.0 DETAILS OF SERVICES TO BE PROVIDED BY THE CONTRACTOR:**

The technical details of the Centrifuge required by OIL are given below :

<p>Make : BRANDT</p> <p>MODEL : VSD – HS 3400</p> <p>DESCRIPTION : High Speed Decanter with Variable Speed Hydraulic Drive</p> <p style="margin-left: 40px;">With Feed Pump / Charge Pump ( Make : SEPEX Capacity : 100 GPM Progressive Cavity Pump)</p> <p>Motor H.P. for running Centrifuge : 60</p>	}	<p><b>OR</b></p> <p><b>EQUIVALENT</b></p>
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Motor H.P. for running Feed Pump : 25

**Printed Technical Literature ( 3 copy ) of the Centrifuge is required to be submitted along with Technical Bid**

**Specification for Centrifuge Cable**

**3 x 6 sq. mm EPR insulated CSP sheathed Cu cable**

**16 sq. mm 3 1/2 core Ethylene Propylene Rubber(EPR) insulated CSP sheathed flexible copper screened cable, Voltage Grade 660/1100 volts, suitable for temp 85 degree centigrade. The outer CSP sheath should be heavy duty HOFR (Heat and Oil Resisting flame retardant) type.**

**Radial thickness of insulation - 1.2 mm**

**Radial thickness sheath - 2.5 mm**

**No. of strands/ diameter of strand - 120/0.4 mm**

**Max. resistance/KM of 20 degree centigrade - 1.24 ohm/KM**

- a) **Conductor should be bright tinned and annealed stranded copper conductor of high conductivity.**
- b) **Cores should be identified by Red, Yellow, Blue and Black colour sequence.**
- c) **An overall screen shall be provided over the laid up cores covered by a proofed cotton binding tape.  
The screen shall consist of 'May Pole' type braiding weave with high conductivity tinned, annealed copper conductor.**
- d) **All the outer interstices between laid up cores shall be filled with moisture proof textile materials  
or separate fillers made of sheathing materials.**
- e) **The cable must bear voltage grade, size, manufacturer's name & IS marking/monogram embossed on the outer surface.**

**The cable length should be 125 Meter**

**The supply power for running Centrifuge : 415 V x 3 PHASE x 50 HZ**

**Note : A.** In order to provide above services, the contractor shall mobilize their competent personnel / experts. The competent personnel / experts will be required to liaise with Company Representative constantly / on regular basis for collecting relevant data as the well operation progresses. The contractor personnel based at well site shall be required to plan and

execute above activities as per assignment given to them by Company Representative from time to time.

- B.** Before Commencement of providing any service, the contractor will also study the charter hire rig facility offered by Company and its tools / equipment including mud handling system and solid control equipment and other facilities etc. so that they can make a realistic assessment about Company's infrastructure facilities which may be utilized during execution of any job.

**8.0 VINTAGE OF TOOLS / EQUIPMENT :**

The age of the Surface tools and other equipment supplied by the Contractor shall not be of more than five (5) years old as on the bid closing date counted from the date of its manufacturing. The contractor must furnish certificates / documents in this regard in support, when called for.

**Note :** Bidder is required to provide documentary proof in the technical bid covering literature of all major equipment showing all specifications listed in this "terms of Reference" and schematic diagram showing each component.

**9.0 INSTALLATION / DISMANTLING:**

- a) **Centrifuge** comprising of all accessories will be mobilized to the location at **well no. Sadhupur-I** (Orissa). The unit will be installed and made operational for handling **Drilling fluids**.
- b) **Centrifuge** will be dismantled at **well no. Sadhupur-I** (Orissa) at the end of operation there upon receiving demobilisation notice from Company.

**10.0 INSTALLATION & COMMISSIONING TIME :**

Contractor is required to complete installation & commissioning of the Centrifuge and make the unit fully functional in the drilling location within **7(seven)** days on receipt of instruction from Company.

**11.0 DETAILS OF PERSONNEL TO BE DEPLOYED BY THE CONTRACTOR:**

**REQUIREMENT OF PERSONNEL :**

- a) The Contractor will deploy competent, qualified and trained personnel with minimum five (05) years independent experience in running Centrifuge as per OIL's scope of work on continuous 24 hours basis at rig site.

- b) The personnel should be deployed at site on continuous 24 hours a day basis and should work on “28 days on / off basis” or as per standard oilfield practice permissible under law.
- c) The bidder shall submit the bio-data of personnel in the attached Proforma – I proposed to be deployed for services mentioned in the tender document.
- d) Provision of PPE (personal protective equipment) for contractor’s personnel will be the responsibility of contractor.

**END OF SECTION – II**

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## SECTION - III

### SCHEDULE OF RATES

The bidder shall quote the following rates in their price bid as per the format given below : **The payment shall be made for the actual work done.**

**A. MOBILIZATION CHARGES ( CENTRIFUGE, TOOLS / EQUIPMENT / SPARES / PERSONNEL : LUMP SUM**

- i) **Mobilization Charges** will cover contractor's entire inventory **with PERSONNEL** in a package to meet contractual obligation for carrying out assigned jobs in the well under the contract.
- ii) **Mobilization Charges** shall be a "**LUMP SUM**" amount inclusive of transportation and other costs for all tools/equipment and spares/ accessories / **Personnel** and shall be paid once.
- iii) **Mobilization Charges** should cover all local and foreign costs of the Bidder to mobilize the equipment to the appointed site including all local taxes, Orissa Entry tax, port fees, inland transport etc., but excluding Customs duty (which will be to OIL's account, if applicable) on the items declared in **Proforma-A**.
- iv) **Mobilization Charges** will be payable when all equipment/tools (free of defects/ encumbrances) are positioned at operation base and duly certified by the company's authorized representative regarding readiness of the equipment to undertake/ commence the work assigned under the Contract.
- v) The Company will provide all necessary documents as required for custom clearance, only on receipt of request from the contractor and all such requests must be made by the Contractor well in advance, so that the Company can make necessary arrangements for providing the documents in time without causing any delay for the customs/port clearance.
- vi) **Mobilisation will be considered as completed when :**
  - a) All the operating tools / equipment are received at the designated drilling location : SADHUPUR-I.
  - b) Tools / equipment are inspected to the satisfaction of OIL.
  - c) Crew has arrived at the designated drilling location.
  - d) All equipment are installed, commissioned and made operational to carry out activity assigned by the company.
- vii) **Mobilization Charges** will be payable when all equipment & crew are positioned to undertake / commence the work assigned under the

Contract at the location.

**B. DE-MOBILIZATION CHARGES OF CENTRIFUGE, TOOLS / EQUIPMENT / SPARES / PERSONNEL : LUMP SUM**

- i) The demobilization charges should be quoted as lump sum charge, which will include all charges for demobilization of all equipment.
- ii) **Demobilization Charges** will be payable as **“LUMP SUM”** amount to the Contractor by the Company **only once** after completion of Company’s activity in the drilling location under this contract. The Contractor shall arrange for and execute demobilization of their entire package of Tools/Equipment/Spare/Accessories etc. upon receipt of notice from the Company. De-Mobilization will indicate completion / termination of the contract and Contractor shall bear all such costs/charges, if any towards the same from the drilling location to Contractor’s base.
- iii) **Day Rate “RENTAL” charges** on Tools/Equipment/Spare/Accessories / **PERSONNEL** etc. shall cease to exist with effect from the day the Contractor is issued de-mobilization notice by Company. No charges whatsoever will be payable with effect from the date of notice to demobilization.
- iv) Company shall give notice to Contractor to commence demobilization. Contractor will ensure that demobilization is completed and Company’s work-site is cleared-off contractor’s property within 15 (fifteen) days of notice from the Company.
- v) All charges connected with demobilization including all fees, duties and taxes in relation thereto, insurance and freight within India or on export/re-export outside India will be to Contractor’s account.
- vi) Upon completion of duration of the Contract, the Contractor shall submit their last monthly invoice for payment along with necessary documents as detailed below, without which the payment of last monthly invoice will not be released by the Company.
  - a) Audited account up to completion of the Contract.
  - b) Tax audit report for the contractual period as required under Income tax laws.
  - c) Documentary evidence regarding submission of returns and payment of tax for expatriate personnel engaged, if any by the Contractor.
  - d) Proof of re-export of all items (excluding consumables consumed during the contract period) and also cancellation of re-export bond, if any.
  - e) Any other document as required by applicable Indian laws and asked by Company.

**C. DAY RATE “RENTAL” CHARGES  
CONTRACTOR’S TOOLS / EQUIPMENT / SPARES**

- i) **Day Rate “Rental” Charges** for Contractor’s consignment of Tools / Equipment will be payable with effect from the day the complete consignment reaches the location, Mobilization and **Commissioning** is completed to the satisfaction of Company representative.
- ii) **Day Rate “RENTAL” charges** on Tools / Equipment / Spare / Accessories etc. shall cease to exist with effect from the day the contractor is issued de-mobilization notice by company. No charges whatsoever will be payable with effect from the date of notice to demobilization.
- iii) During **“Rental”** period the tools/equipment are required to be in fully operating condition, save repair and preventive maintenance with prior permission of OIL.
- iv) **Day Rate “Rental” Charges** include supply of spares & consumables, replacement/maintenance cost and any other operational requirement if any during the contractual period. The contractor must maintain minimum stock of any such regularly required items at the drilling site under their possession to ensure uninterrupted service.
- v) All other necessary equipment, tools and accessories etc. will be provided by the Contractor for due performance of the intended services without any additional rental charges to company.
- vi) **Day Rate Charges (RENTAL)** will not be payable, if the Contractor withdraws the whole or part of the equipment or any manpower affecting operations.
- vii) **Day Rate Charges (RENTAL)** will be payable for full day or part thereof on pro-rata basis up to the nearest half hour.
- viii) If Contractor’s tool /equipment fails to perform, for any reason in the duration of operation, then no **Day Rate Charges ( RENTAL )** shall become payable until the equipment /tool is put back in to operating condition or evidenced by demonstration of operation in actual tests or use to the satisfaction of OIL.

**D. DAY RATE CHARGES OF PERSONNEL :**

- i) The **Day Rate Charges** for contractor personnel shall be payable **for operation / maintenance of Centrifuge & other accessories.**

- ii) The **Day Rate Charges for contractor personnel** shall not be payable if, in the duration of operation, contractor's Centrifuge, Tool / Equipment fails to perform, for any reason.
- iii) The **Day Rate Charges for contractor personnel** will be payable for full day or part thereof on pro-rata basis up to the nearest half hour.
- iv) The **Day Rate Charges for contractor personnel** shall not be payable once the de-mobilization notice is issued by OIL.

**E. ZERO RATE :**

Notwithstanding any provision in the contract, no charges shall be payable for the period, the job or activity assigned to the contractor is halted due to break-down of Contractor's tools/equipment, non-availability of key personnel or for any other reason whatsoever attributable to the Contractor.

**F. DAY RATE FOR TOOLS / EQUIPMENT / PERSONNEL DURING FORCE MAJEURE:**

- i) All rates quoted by bidder shall be restricted to 50% of respective charges under above circumstances. This will be considered as **Force Majeure Rate**.
- ii) The **Force Majeure Rate** shall be payable during the first 10 days period of force majeure in case of all operations. No payment shall accrue to the Contractor beyond the first 10 days period unless mutually agreed upon.

**G. GENERAL NOTE :**

- i) Bidders should indicate name and address of their Indian agent if any and also should specify the percentage of commission if any involved and it should be included in the quoted rates. In case no Indian agent commission is involved then should be shown as "NIL".
- ii) Bidder should submit the list of items with CIF value to be imported into India in connection with execution of this contract as per **Proforma - A**.
- iii) From the **Proforma-A**, bidder should identify the items of re-exportable in nature (i.e. items which will not be consumed during the execution of the contract and required to be exported out side India after completion of the contract). Total CIF value of such items should be shown in the "PRICE BID FORMAT" as CIF (RE-EX).
- iv) Similarly from the **Proforma-A**, bidder should identify the items of consumable in nature (i.e. items which will be consumed during the execution of the contract). Total CIF value of such items should be shown in the "PRICE BID FORMAT" as CIF (CONSUMABLES).
- v) There will be **no De-Mobilization Charges payable** to the contractor for any personnel after termination of contract or after completion of contractor's activity in the well.

**END OF SECTION - III**  
**XXXXXX**

## **SECTION - IV**

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

**A) BID REJECTION CRITERIA:** The bid shall conform generally to the specifications and terms and conditions given in the bidding documents. Bids will be rejected in case services offered do not conform to the required parameters stipulated in the technical specifications. Notwithstanding the general conformity of the bid to the stipulated specifications, the following requirements will have to be particularly met by the bidders without which the same will be considered as non-responsive and rejected.

**1.0 TECHNICAL:** Bidders must meet the following criteria :

1.1 The bidders should be in the business of providing “**Centrifuge Services with Operator – on Rental**” in deep exploratory well (4000 m. deep) at least for last 5 years counted before the “Bid Opening Date” of the tender. The bidder is required to provide documentary evidence to this extent.

1.2 As a proof of having experience of 5 years or more, in providing above services, the bidder should provide documentary evidence (viz. copies of LOA, documents showing detailed scope of work carried out, completion certificates etc. from client.) on at least two contracts executed by them.

1.3 The equipment should not be older than 5 years as on the bid closing date of the tender and OEM’s certificate to this extent should be provided.

1.4 **Experience of Bidder’s Personnel:**

The bidder should deploy competent personnel as required for above services, having minimum 5 years experience in their own field of operation. The bidder shall submit the bio-data of personnel proposed to be deployed for services mentioned above as per Proforma – I, attached.

1.5 **Mobilization period:**

The bidder must be in a position to mobilize the services (**Tool & Equipment & Personnel**) within **20** days from the date of issue of LOA.

**2.0 COMMERCIAL - BID SUBMISSION**

2.1 The bids are to be submitted in a single stage two bid system, i.e. Technical Bid (Unpriced) and Commercial Bid(Priced) separately as per Section – II, Clause 5.0 of the Tender. Bids shall be rejected outright if the Technical Bid contains the prices.

2.2 Bidder shall offer firm prices. Price quoted by the successful bidder must remain firm during the execution of the Contract and not subject to variation on any account.

- 2.3 Bid security in original shall be furnished as a part of the **Technical Bid**. The amount of bid security should be specified in the bid document. Any bid not accompanied by a proper security will be rejected
- 2.4 Bids received after bid closing date and time will be rejected.
- 2.5 Any bid received in the form of Telex/Cable/Fax/Email will not be accepted.
- 2.6 Bids shall be typed or written in indelible ink and original bid should be signed by the bidder or their authorized representative on all pages.
- 2.7 Bids shall contain no interlineations, erasures or over writing except as necessary to correct errors made by bidders, in which case such corrections shall be initialled by the person(s) signing the bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement may be liable for rejection.
- 2.8 Bidders shall bear, within the quoted rates, the personal tax as applicable in respect of their personnel and Sub-Contractor's personnel, arising out of execution of the Contract.
- 2.9 Bidders shall bear, within the quoted rate, the corporate tax as applicable on the income from the Contract.
- 2.10 Any bid containing false statement may be liable for rejection.
- 2.11 Bidders must quote clearly and strictly in accordance with the price schedule outlined in Price-Bid Format of bidding document; otherwise the bid will be summarily rejected.
- 2.12 Bidder must accept and comply with the following clauses as given in the Tender Document in toto failing which offer shall be rejected.
- (i) Performance Guarantee Bond Clause
  - (ii) Force Majeure Clause
  - (iii) Tax Liabilities Clause
  - (iv) Arbitration Clause
  - (v) Acceptance of Jurisdiction and Applicable Law
  - (vi) Liquidated damage cum penalty clause
  - (vii) Safety and Labour Law
  - (viii) Termination Clause

### **3.0 GENERAL**

- 3.1 **Proforma - D - The compliance statement should be duly filled up.** In case bidder takes exception to any clause of the tender 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.

- 3.2 To ascertain the substantial responsiveness of the bid, the Company reserves the right to ask the bidder for clarification in respect of clauses covered under BEC/BRC also and such clarifications fulfilling the BEC/BRC clauses in toto must be received in “**ONE GO**” on or before the deadline given by the Company, failing which the offer will be summarily rejected.
- 3.3 If any of the clauses in the BRC contradict with other clauses of tender document elsewhere, then the clauses in the BRC shall prevail.

**B. BID EVALUATION CRITERIA:**

- 1.0 The bids conforming to the technical specifications, terms and conditions stipulated in the tender and considered to be responsive after subjecting to Bid Rejection Criteria will be considered for further evaluation as per the Bid Evaluation Criteria given below.
- 2.0 If there is any discrepancy between the unit price and the total price, the unit price will prevail and the total price shall be corrected. Similarly, if there is any discrepancy between words and figure, the amounts in words shall prevail and will be adopted for evaluation.
- 4.0 For conversion of foreign currency into Indian currency for evaluation of Bids, B.C. selling (Market) rate declared by State Bank of India, one day prior to the date of priced bid opening shall be considered. However, if the time lag between the opening of the bids and final decision exceeds 3(three) months, then B.C. Selling(Market) rate of exchange declared by SBI on the date prior to the date of final decision shall be adopted for conversion and evaluation.
- 4.0 The bidders must quote their charges / rates in the manner as called for vide “Schedule of Rates” under **Section - III** and the summarized price schedule format vide enclosed **Proforma - B**.
- 5.0 To ascertain the inter-se-ranking, the comparison of the responsive bids will be made subject to loading for any deviation. Commercial Bids shall be evaluated taking into account the rates quoted in the **PRICE SCHEDULE (Proforma-B)** by taking into account the summation of the following :

**TOTAL ESTIMATED CONTRACT VALUE [ T ]**

**= [ A + B + C + D ]**

**Where,**

<b>A =</b>	Mobilization Charges [ Tools / Equipment/Personnel ]
<b>B =</b>	De-Mobilization Charges [ Tools / Equipment /Personnel]
<b>C =</b>	Day Rate - Rental Charges (Tools/Equipment)
<b>D =</b>	Day Rate Charges (Personnel)

**NOTE:**

- i) The items mentioned in above clause are to be read in conjunction with **Schedule of Rates** in Section IV.
  - ii) The quantities mentioned against each item in Schedule of Rate/Price Bid Format are for evaluation purposes only. However, payment will be made at actual.
- 6.0 **Custom Duty** : The services under this Contract shall be carried out in PEL areas of the Company issued or renewed to Company after 01/04/99 and therefore, imports under this Contract is presently exempted from Customs Duty. Bidders should take note of the same while quoting. No customs duty is therefore considered for evaluation.

**END OF SECTION – IV**

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## SECTION - V

### SPECIAL CONDITIONS OF CONTRACT

**1.0 FOOD, ACCOMMODATION, TRANSPORTATION AND MEDICAL FACILITY AT WELL SITE :**

- 1.1 Bidder shall provide food & accommodation to all its personnel.
- 1.2 Transportation of Bidder's personnel from base camp to work place will be arranged by Bidder.
- 1.3 Medical Facilities: Company will provide contractor personnel first aid medical facilities only available at well site. However, in case of further medical treatment, if any, the Bidder will have to arrange at their own cost.
- 2.0 **Safety:** Bidder shall observe such safety regulations in accordance with acceptable oil field practice and applicable Indian Laws such as Mines safety rules etc. Bidder shall take all necessary measures reasonably to provide safe working conditions and shall exercise due care & caution in preventing fire, explosion and blow out and maintain fire-fighting equipment in sound condition at all times during operation.
- 3.0 **Adverse Weather:** Bidder, in consultation with company, shall decide when, in the face of impending adverse weather conditions, to institute precautionary measures in order to safeguard the well, the equipment and personnel to the fullest possible extent.
- 5.0 **Confidentiality of Information:** All information obtained by Bidder in the conduct of operations hereunder shall be considered confidential and shall not be divulged by Bidder or its employees to any one other than company's representative. This obligation of Bidder shall be in force even after the termination of the Contract. Contractor shall handover to company all Company's documents or drafts concerning operations carried out and which are still in its possession before demobilizing their tools/equipment and personnel.
- 5.0 **LOSS OR DAMAGE OF OIL'S EQUIPMENT AT WELL SITE:**  
Bidder shall assume the risk of and shall be solely responsible for, damage to and loss or destruction of materials and equipment or supplies furnished by OIL. In case there is a loss or damage to OIL's equipment for causes attributable to Bidder, the Bidder shall compensate OIL.
- 6.0 **DISCIPLINE:**  
The Bidder shall maintain strict discipline and good order among their employees and their Sub-contractors, if any, and shall abide by and conform to all rules and regulations promulgated by the Company. Should the Company feel with just cause that the conduct of any of the Contractor's

personnel is detrimental to Company's interests; the Company shall notify Bidder in writing the reasons for requesting removal of such personnel. The Bidder shall remove and replace such employees at their expense within 7 days from the time of such instruction given by the Company.

7.0 **ASSOCIATION OF COMPANY'S PERSONNEL:**

Company may depute one or more than one representative (s) / engineer (s) to act on its behalf for overall co-ordination and operational management at location. Company's representative will be vested with the authority to order any changes in the scope of work to the extent so authorized and notified by the Company in writing. He shall liaise with the Contractor and monitor progress to ensure timely completion of the jobs. He shall also have the authority to oversee the execution of jobs by the Contractor and to ensure compliance of provisions of the contract.

8.0 **CONTRACTOR'S SPECIAL OBLIGATIONS :**

8.1 Contractor shall arrange for inland transportation of all equipment, etc. from the port to the place of work and back at the end of the work at their own expense. Arrangement of Road Permits and payment of Orissa Entry Tax for bringing Contractor's equipment / material to Work place shall be Contractor's responsibility.

8.2 Contractor should provide the list of items to be imported in the format specified in Proforma-A for issuance of recommendatory letter to Directorate General of Hydrocarbons (DGH), New Delhi for clearance of goods from Indian customs at concessional (nil) rate of customs duty.

8.3 In case the Contractor imports the equipment etc. on re-export basis, the Contractor shall ensure for re-export of the equipment and all consumables and spares (except those consumed during the contract period) and complete all documentation required. Company will issue necessary certificates etc. as required. The Contractor should arrange for re-export of equipment within 60 days of notice of demobilisation issued by the Company. If the re-export is not completed within the specified period, customs duty, penalty etc. levied by customs authorities for such delay shall be to Contractor's account and same will be deducted by the Company from Contractor's bills and security deposit.

9.0 **CUSTOMS DUTY**

9.1 The Services under the Contract shall be carried out in PEL/ML areas renewed / issued to Company after 1.4.1999 and, therefore, imports under this Contract are presently exempted from customs duty. Company shall provide recommendatory letter to Directorate General of Hydrocarbons, New Delhi (DGH) for issuance of Essentiality Certificate (EC) to enable Contractor to import goods for providing services under this Contract at concessional (Nil) customs duty. Contractor should provide the list of items to be imported under this Contract in the format specified in Proforma-A for

issuance of recommendatory letter to DGH. On shipment of goods as per Proforma - A, the Contractor shall intimate Company alongwith all shipping documents (with clear 15 working days notice) for arranging EC provided all the documents submitted by the Contractor are in order. Any consequences due to delay in proving EC will be to company's account.

- 9.2 However, in the event customs duty is leviable during the course of contract arising out of a change in the policy of the Government, Company shall be liable for payment of the customs duties leviable in India on contractor's items as provided in Proforma - A or the actuals whichever is less, provided contractor furnishes all necessary documents indicating the estimated customs duty at least 10 days in advance. Such payment of customs duty shall be arranged by company and made available to the representatives of contractor at Calcutta within 3 working days after contractor submits the undisputed and clear necessary documents / duty assessment papers at company's office at Calcutta. Contractor would be responsible for passing such payment to customs authorities at the port of entry. Company's obligation for customs duty payment shall be limited / restricted to the tariff rates as assessed by the customs on the day of clearance, or as on the last day of the stipulated mobilisation period in case of clearance thereafter, on the CIF value of items in Proforma-A will be frozen and any increase in customs duty on account of increase in value on these will be to the contractor's account. Furthermore, in case the above CIF value is not acceptable to assessing customs officer and as a result any excess customs duty becomes payable, it shall be to contractors account. Before filing Bill of lading, Bill of entry, the contractor must consult the company to avoid payment of excess customs duty.
- 9.3 Contractor shall, however, arrange clearance of such items from customs and port authorities in India and shall pay all requisite demurrages, if any, clearance fees/charges, port fees, clearing and forwarding agent fees/charges, inland transport charges etc. Company shall provide all assistance by issuance of necessary letter of authority or other relevant documents and necessary help.
- 10.0 **COMPLETION OF DEMOBILISATION:** Demobilization shall be completed by contractor within 15 days from the date of notice to contractor to demobilize tools/equipment & personnel. After the completion of work, all equipment, accessories etc. brought into India on re-export basis shall be re-exported by Contractor except consumables and spares. In case of failure to do so in the allotted time hereof except under circumstances relating to Force Majeure, company reserves the right to withhold the estimated amount equivalent to the customs duty and/or penalty leviable by customs on such default in re-export from Contractor's final settlement of bills. In the event all / part of the equipment etc. are transferred by Contractor within the country to an area where no nil customs duty is applicable and/or sold to a third party after obtaining permission from company and

other appropriate government clearances in India, then Contractor shall be fully liable for payment of the customs duty.

- 11.0 **HEADINGS:** The headings of the clauses of the contract are for convenience only and shall not be used to interpret the provisions hereof.
- 12.0 **WAIVERS AND AMENDMENTS:** It is fully understood and agreed that none of the terms and conditions of the contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the duly 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.

**END OF SECTION - V**

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**LIST OF ITEMS (EQUIPMENT, TOOLS, ACCESSORIES, SPARES & CONSUMABLE)  
TO BE IMPORTED IN CONNECTION WITH EXECUTION OF THE CONTRACT  
SHOWING CIF VALUE.**

Srl #	Item Description	Qty/ Unit	Rate	Total	Freight & Insurance	CIF Value	Port & other charge	Landed Cost	Is it re-exportable? YES or NO	Year of Mfg.	HSN Code
A	B	C	D	E = C x D	F	G = F + E	H	I = G+H	J	K	L

(1) The items which are not of consumable in nature and required to be re-exported outside India after completion of the Contract should be indicated as "YES" in column "J".

(2) The items, which are of consumable in nature should be indicated as "NO" in column "J".

(3) For estimation of applicable customs duty, the bidders are required to indicate customs tariff code (i.e. HSN Code) of each item in column "L".

**Authorized Person's Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Seal of the Bidder:**

**PRICE SCHEDULE**

<b>Sl. No.</b>	<b>Particulars / Activity</b>	<b>Unit</b>	<b>Quantity</b>	<b>Rate</b>	<b>Total</b>
A	Mobilization Charges (Tools / Equipment /Personnel)	Lump Sum	1		
B	De-Mobilization Charges (Tools / Equipment/ Personnel)		1		
C	Rental Charges (Tools / Equipment)	Per Day	90		
D	Day Rate Charges (Personnel)	Per Day	90		
Total Contract Price inclusive of all applicable taxes and duties, but excluding <b>service tax &amp; Customs Duty</b> , which will be on OIL's account					

**GENERAL NOTE :**

1. The items mentioned in above clause are to be read in conjunction with **Schedule of Rates**.
2. The quantities mentioned against each item in Schedule of Rate/Price Bid Format are for evaluation purposes only. However, payment will be made at actual.
3. Bidders should indicate name and address of their Indian agent if any and also should specify the percentage of commission if any involved and it should be included in the quoted rates. In case no Indian agent commission is involved, then the same should be shown as "NIL".

**BID FORM**

To  
M/s. Oil India Limited,  
**For Head (Contracts)**  
P.O. Duliajan, Assam, India

Sub: Tender No. : \_\_\_\_\_

*Gentlemen,*

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 sum of \_\_\_\_\_ (Total Bid Amount in words and figures) or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to commence the work within ( ) days calculated from the date of award of Contract.

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 60 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 \_\_\_\_\_ 2008.

-----  
Signature

\_\_\_\_\_  
(In the capacity of)

**STATEMENT OF NON-COMPLIANCE**

<b>SECTION NO.</b>	<b>CLAUSE NO./ SUB- CLAUSE NO.</b>	<b>COMPLIANCE / NON- COMPLIANCE -</b>	<b>REMARKS</b>

-----  
**Signature of the bidder**

**FORM OF PERFORMANCE BANK GUARANTEE**

To: M/s. OIL INDIA LIMITED,  
For HEAD (Contracts),  
Duliajan, Assam, India, Pin - 786 602.

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 of (Amount of Guarantee in figures) \_\_\_\_\_ in words) (\_\_\_\_\_), 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 thereunder 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 15 months after Contract completion date).

SIGNATURE AND SEAL OF THE GUARANTORS \_\_\_\_\_

Designation \_\_\_\_\_

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

Date ..... Place \_\_\_\_\_

**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- II** attached herewith for this purpose.

WHEREAS, Company issued a firm Letter of Award No. \_\_\_\_\_ based on Offer No. \_\_\_\_\_ submitted by the Contractor against Company's Tender No. \_\_\_\_\_.

WHEREAS Contractor has accepted Company's Letter of Award 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 agreement viz.:

- (a) Section-I indicating the General Conditions of Contract,
- (b) Section-II indicating the Terms of Reference/Technical Specifications,
- (c) Section-III indicating the Schedule of rates and

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 Duliajan, Assam 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.

**FORM OF BID SECURITY (BANK GUARANTEE)**

To: M/s. OIL INDIA LIMITED,  
For Head (Contracts), Duliajan, Assam, India, Pin - 786 602.

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, Duliajan, Assam, 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 \_\_\_\_\_ (hereinafter called "Bank") are bound unto the Company in the sum of ( \* ) for which payment well and truly to be made to the Company. Bank binds itself, its successors and assigns by these presents, which are SEELED with the common seal of the said Bank this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

**NOT APPLICABLE**

THE CONDITIONS of these 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 Contract 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 \_\_\_\_\_  
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.

**PROFORMA LETTER OF AUTHORITY**

TO

HEAD (CONTRACTS)  
Oil India Ltd.,  
P.O. Duliajan - 786 602  
Assam, India

Sir,

Sub: OIL's Tender No. \_\_\_\_\_

We \_\_\_\_\_ confirm that Mr. \_\_\_\_\_ (Name and address) as authorised 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. If signed by a consortium, it shall be signed by members of the consortium.

**BIO-DATA AND EXPERIENCE OF PERSONNEL**

1. NAME
2. PRESENT ADDRESS
3. PERMANENT ADDRESS
4. FATHER'S NAME
5. NATIONALITY
6. PASSPORT NO. AND VALIDITY  
(IN CASE OF EXPATRIATE)
7. DESIGNATED POST
8. EDUCATIONAL QUALIFICATION
9. DATE OF BIRTH
10. EXPERIENCE IN REVERSE ORDER

**SIGNATURE OF THE BIDDER**