



ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्योग) पंजीकृत कार्यालय: दुर्गापुर, असम
Oil India Limited
(A Government of India Enterprise) Registered Office: Durgapur, Assam

**Materials Department
(Rajasthan Project)**
12 Old Residency Road
Jodhpur – 342 011
Rajasthan, India.
Phone -0291-2438174
Fax : 0291-2431689
Email: mat_rp@oilindia.in

FORWARDING LETTER

Tender No. : JCO 7203 P10

To

M/s

.....

Sirs,

Document Srl. No. :
Money Receipt No. :
Tender Fee :	Rs.500.00
Signature of issuing Officer	

**Sub: Hiring of oil/gas well Acidization Services on call-out basis
with Equipment, Manpower and Consumables**

In connection with our Invitation of Bids, we enclose a complete set of Bid Document covering our Tender for **Hiring of on-shore oil/gas well Acidization Services on call-out basis with equipment, manpower and all consumables** to carry out acidization jobs in one well in Rajasthan with provision to extend the services to one more well in the same area at the same rates, terms and conditions at the option of Company. For your ready reference, few salient features (Covered in details in this bid document) are highlighted below.

- i) OIL's Tender No. : JCO 7203 P10 dated 05.03.2010
- ii) Type of Bid : Single Stage Composite Bid System
- iii) **Bid Closing Date & Time** : **15:00 hrs (IST) on 30th March, 2010**
- iv) Bid Opening (Technical) Date & Time : 15:15 hrs (IST) on 30th March, 2010
- v) Bid Opening Place : Executive Director's Office at Jodhpur
- vi) Place of Submission of bid : OIL INDIA LIMITED,
12, Old Residency Road,
JODHPUR - 342 011,
RAJASTHAN (INDIA).
- vii) Amount of Bid Security : Rs. 10,000.00 (Rupees Ten Thousand)

- viii) Amount of Performance Security : 2.5 % of the Estimated Agreement Value
- ix) Mobilisation Time : On call-out basis, within seven days from the date of issue of notice by Company.
- x) Amount of Liquidated Damage for default in timely Mobilisation : Liquidated damages shall be applicable @ 0.5% of the total estimated agreement value for delay in mobilization per week or part thereof subject to maximum of 7.5%.
- xi) Duration of Contract : One year or to complete maximum of two (02) wells, whichever is earlier. This is as tentatively assessed by the Company and the contract will be operated on call-out basis depending on OIL's requirement.

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

Thanking You

Yours faithfully,
OIL INDIA LIMITED

(P. DAS)
CHIEF MANAGER (M&C)
FOR EXECUTIVE DIRECTOR (RP)

SECTION – I

INVITATION FOR BIDS

- 1.0 Oil India Limited (OIL) invites Competitive Bids for the following oilfield services for its RAJASTHAN PROJECT under Single Stage Composite Bid System from eligible domestic bidders.
- 1.1 Tender No. : JCO 7203 P10 dated 05.03.2010
- 1.2 Bid Closing Date : 30th March, 2010
& Time : (15:00 Hrs. ITS)
- 1.3 Tender Fee : Rs. 500.00
- 1.4 Bid Security : Rs. 10,000.00
- 2.0 **Description of Service:** Hiring of on-shore oil/gas well acidization service on call-out basis with equipment, manpower and all related consumables for one well operation in western Rajasthan with a provision to extend the services to one more well at the same rates, terms and conditions at the option of Company.
- 3.0 Non-transferable bid documents can be obtained from “CHIEF MANAGER (M & C), OIL INDIA LIMITED, RAJASTHAN PROJECT, 12-OLD RESIDENCY ROAD, JODHPUR-342 011, RAJASTHAN” on application and payment of non-refundable tender fee (except PSU and SSI Units) as indicated above through crossed demand draft drawn in favour of Oil India Limited, payable at Jodhpur. Tender document will be on sale from 8th March, 2010 till 29th March, 2010.
- 4.0 OIL reserves the right to refuse issue of tender document to such parties even on payment of tender fee, about whose competence OIL is not satisfied. Company’s decision in this regard shall be final.
- 5.0 OIL reserves the right to reject any/all bids and cancel the tender without assigning any reason whatsoever.

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

(END OF SECTION – I)

SECTION – II

INSTRUCTIONS TO BIDDERS

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 DOCUMENT / TENDER DOCUMENT

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

(a) A forwarding letter highlighting the following points:

- (i) Oil India Limited 's Tender No.
- (ii) Bid closing date and time.
- (iii) Bid opening date, time and place.
- (iv) The amount of Bid Security.
- (v) The amount of performance guarantee.
- (vi) Quantum of liquidated damages for default in timely mobilization.

(b) Invitation for Bids (Section - I)

(c) Instructions to Bidders (Section - II)

(d) General Conditions of Contract (Section - III)

(e) Special Conditions of Contract (Section - IV)

(f) Scope of work / Terms of Reference (Section - V)

(g) Bid form & Schedule of Rates (Section - VI)

(h) The Bid Security Form (Section - VII)

(i) The Performance Security Form (Section - VIII)

(j) The Contract Form (Section - IX)

(k) Bid Evaluation Criteria/Bid Rejection Criteria (BEC/BRC)-(Section - X)

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

3.0 AMENDMENTS TO BIDDING DOCUMENT:

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 Bid Document through an Addendum.

3.2 The Addendum will be sent in writing or by Fax/E-mail/Courier/Post to all prospective Bidders to whom Company had issued 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 version which shall govern for the purpose of bid interpretation.

5.0 DOCUMENTS COMPRISING THE BID:

The bidder should submit their offer under single stage composite bid system i.e., only a single Techno-Commercial Bid comprising of the following documents.

- (i) Complete technical details of the services and equipment specifications with catalogue, etc. as applicable.
- (ii) Documentary evidence establishing Bidder's eligibility as per BEC/BRC defined in Section – X.
- (iii) Bid Security furnished in accordance with Para 7.0 below.
- (iv) Statement of Compliance as per **Proforma – I** of Section – X
- (v) Schedule of Rates as per **Proforma – II** of Section - X.

6.0 BID PRICE:

6.1 Rates/Unit Prices must be quoted only in Indian Rupees and in words as well as in figures.

6.2 Price quoted by the Successful Bidder must remain firm throughout its performance of the Contract and is not subject to variation on any account, including extension period, if any.

6.3 All duties and taxes including Corporate income taxes, Service Tax and other levies payable by the Contractor under the Contract for which this Bid Document is 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. Only the R & D Cess, applicable if any against this contract will be borne and paid for by OIL.

7.0 BID SECURITY:

7.1 Pursuant to Para 5.0 above, the Bidder shall furnish Bid Security in the amount as specified in the "Forwarding Letter" alongwith their offer.

7.2 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-para 7.7 below.

7.3 The Bid Security shall be denominated in the currency of the Bid or another freely convertible currency, and shall be in the following forms:-

- a) A Bank Guarantee issued by a scheduled Bank located in India in the form provided in the Bid document (Ref. Section-VII for the format) and valid for 60 days beyond the validity of the Bid. The bank guarantee/Letter of Credit should be so endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan) India or alternatively at New Delhi, India.

- b) A Cashier's Cheque or Demand Draft drawn on "OIL INDIA LIMITED" and payable at Jodhpur, Rajasthan (India).
- 7.4 Any Bid not secured in accordance with above-mentioned subparagraphs 7.1 to 7.3 will be rejected by Company as non-responsive, except those are exempted.
- 7.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned as soon as the tender is finalized by the Company or within 30 days of expiry of bid validity, whichever is earlier.
- 7.6 Successful Bidder's Bid Security will be discharged upon the Bidder's signing of the contract and furnishing the Performance Security.
- 7.7 The Bid Security will be forfeited:
- (a) If any Bidder withdraws 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 and within the period of bid validity, and /or,
 - ii) To furnish Performance Security.

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

8.0 PERIOD OF VALIDITY OF BIDS:

- 8.1 Bids shall remain valid for 120 days after the date of bid opening prescribed by the Company.
- 8.2 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 (by Fax or E-mail). A Bidder may refuse the request without forfeiting their Bid Security. A Bidder granting the request will neither be required nor permitted to modify their bid but shall arrange suitable validity extension of their bid security provided under para 8.0 above.

9.0 FORMAT AND SIGNING OF BID:

- 9.1 The Bidder shall prepare three copies of the bid clearly marking original as "ORIGINAL BID" and the rests as "COPY OF BID". In the event of any discrepancy between them, the original shall prevail.
- 9.2 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 authorized to bind the Bidder to the contract. The letter of authorization shall be indicated by written power of attorney accompanying the technical bid. The person or persons signing the bid shall initial all pages of the bid, except for unamended printed literature.
- 9.3 The bid should contain no interlineation, 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(s) signing the bid. Any bid not meeting this requirement shall be liable for rejection.

C. SUBMISSION OF BIDS:

10.0 SEALING AND MARKING OF BIDS:

10.1 The tender is being processed according to a single stage – composite bid procedure. A single offer should be submitted in triplicate (One original and 2 copies) containing Technical as well as commercial details including the rates as per the Price Schedule Format provided herein.

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

10.3 The cover containing the Bid (Original and 2 copies) should be sealed, superscribing the following on the right hand top corner of the envelope.

(i) Tender No. : -----

(ii) Bid closing date : -----

(iii) Bidder's name : -----

10.4 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 para 7.0 should be enclosed with the Bid.

10.5 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 – I** of Section – X and the same should be enclosed with the bid.

10.6 Timely delivery of the bids is the responsibility of the Bidders. 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.

10.7 Cable/ Fax/E-mail/ Telephonic offers will not be accepted.

11.0 DEADLINE FOR SUBMISSION OF BIDS :

Bids must be received by the Company at the address specified in the Forwarding Letter not later than the bid closing time and date mentioned in the letter.

12.0 LATE BIDS:

Any Bid received by the Company after the deadline for submission of bids prescribed by the Company shall be rejected.

13.0 MODIFICATION AND WITHDRAWAL OF BIDS :

13.1 The Bidder, after submission of bid, may modify or withdraw its bid by written notice prior to bid closing.

13.2 The Bidder's modification or withdrawal notice shall be prepared sealed, marked and despatched in accordance with the provisions of para 10.0. 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.

- 13.3 No bidder will be permitted to modify their bid, subsequent to the deadline for submission of bids.
- 13.4 No bid can 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.
- 14.0 BID OPENING AND EVALUATION
- 14.1 Company will open the Bids, including submission(s) made pursuant to para 13.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, the Bidder's representative must produce an authorized letter from the bidder at the time of opening of tenders. Unless this Letter is presented, the representative will not be allowed to attend the opening of tenders. The Bidders' representatives who are allowed to attend the bid opening shall sign in a register evidencing their attendance. Only one representative against each bid will be allowed to attend.
- 14.2 Bid (if any) for which an acceptable notice of withdrawal has been received pursuant to para 13.0 shall not be opened. On opening the remaining bids Company will examine them to determine whether the same are complete, requisite Bid Securities have been furnished, documents have been properly signed and the bids are generally in order.
- 14.3 At bid opening, Company will announce the Bidders' names, written notifications of bid modifications or withdrawal, if any, furnishing of requisite Bid Security, rates/costs quoted and such other details as the Company may consider appropriate.
- 14.4 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-para 14.2.
- 14.5 To facilitate 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.
- 14.6 Prior to detailed evaluation, the Company will determine the substantial responsiveness of each bid to the Bidding Documents. For this purpose, a substantially responsive bid is one that conforms to all the terms and conditions of the Bidding Document without material deviations. The Company's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to any extrinsic evidence.
- 14.7 A Bid determined as not substantially responsive will be rejected by the Company and can not subsequently be made responsive by the Bidder through correction of the non-conformity.
- 14.8 The Company may waive minor informality or nonconformity or irregularity on a bid that does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.
- 14.9 The Company will examine the Bids to determine whether they are complete, any computational errors have been made, required sureties have been furnished, the documents have been properly signed, and the bids are generally in order.

14.10 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, his bid will be rejected. If there is a discrepancy between words, and figures, the amount in words will prevail.

15.0 EVALUATION AND COMPARISON OF BIDS :

The Company will evaluate the cost details quoted by the technically qualified bidders and compare the bids to ascertain their inter-se-ranking as per Bid Evaluation Criteria (Section-X) of the tender document based on the rates quoted in Proforma-II therein.

D. AWARD OF CONTRACT

16.0 AWARD CRITERIA:

The Company will award the Contract to the Contractor 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.

17.0 COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID:

Company reserves the right to accept/reject any or all bids.

18.0 NOTIFICATION OF AWARD:

18.1 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 fax (to be confirmed in writing by registered / courier letter) that his bid has been accepted.

18.2 The notification of award will constitute formation of the Contract.

19.0 SIGNING OF CONTRACT:

19.1 At the same time as the Company notifies the successful Bidder that their Bid has been accepted, the Company will either invite the bidder for signing of the agreement or send the Contract Form provided in the bidding document. The form will be accompanied by the General & Special Conditions of Contract, technical specifications, schedules of rates and all other relevant documents/agreements between the parties.

19.2 Within 7 days of receipt of the final contract document, the successful Bidder shall sign and date the contract and return the same to the Company.

20.0 PERFORMANCE SECURITY :

20.1 Within 15 days of receipt of notification of award from the Company, the successful Bidder shall furnish the performance security for an amount (2.5% of evaluated contract cost) specified in the Forwarding Letter in the performance Security Form as provided in the Bidding Document (Ref. Section – VIII) or in any other form acceptable to the Company from a Bank located in India. 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.

- 20.2 The performance security specified above must be valid for three (03) months beyond the expiry date of the contract to allow Company to lodge claim, if any. The same will be discharged by Company not later than 30 days following its expiry. In the event of extension of contract, subsequent to expiry of validity of the original contract period, Contractor shall have to enhance the value of the performance security to cover 2.5% of the contract value for the extended period and also to extend the validity of the performance security accordingly.
- 20.3 Failure of the successful bidder to comply with the requirements of para 19.0 or 20.0 above 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 lowest evaluated Bidder or call for new bid or negotiate with the next lowest bidder as the case may be.

INVOCATION OF PERFORMANCE BANK GUARANTEE

- 20.4 In the event of Contractor failing to honour any of the commitments entered into under the contract and/or in respect of any amount due from Contractor to Company, Company shall have an unconditional option under the guarantee to invoke the Performance Bank Guarantee and claim the amount from Bank.
- 20.5 Company will have the right to invoke the Performance Bank Guarantee in case the Contractor fails to mobilise the Equipment, tools and personnel etc. within the stipulated period irrespective of any reasons whatsoever.

(END OF SECTION – II)

SECTION – III

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

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

- (a) “Contract” means the terms and conditions contained herein and the attached exhibits. In the event of any conflict between the text of the contract and the exhibits, the text of the Contract shall have precedence over the exhibits.
- (b) “Contractor” means the individual or firm or body incorporated, performing the work under this contract and its executors, successors, administrators and assignees.
- (c) “Company” means OIL INDIA LIMITED (OIL) and its executors, successors, administrators and assignees.
- (d) The “Work” means each and every activity required for the successful performance of the services described under this contract.
- (e) “Operating Area” means those areas on-shore in Rajasthan (India) in which Company or its affiliated Companies may from time to time be entitled to execute such services/operations.
- (f) “Site” means the land and other places, on, under, in or through which the works are to be executed by the Contractor and any other land and places provided by the Company for working space or any other purpose as designated hereinafter as forming part of the Site.
- (g) “Contract Price” means the price payable to the Contractor under the contract for the full and proper performance of its contractual obligations.
- (h) “Company's Items” means the equipment, materials and services, which are to be provided by Company/Contractor at the expense of Company.
- (i) “Contractor's Items” means the equipment, materials and services, which are to be provided by Contractor/Company at the expense of the Contractor.
- (j) “Contractor's personnel” means the personnel as required to be provided by Contractor from time to time for execution of this contract.
- (k) “Company Representative” means the person or persons appointed and approved in writing from time to time by the Company to act on its behalf for overall co-ordination and project management at site.
- (l) “Gross Negligence” as used in this contract shall mean “willful and wanton disregard for harmful, avoidable and foreseeable consequence”.

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

- 2.1 The contract shall become effective as of the date Company notifies the successful bidder in writing (through Letter of Intent) that they have been awarded the contract consequent upon acceptance of their offer by Company and it shall remain valid for a maximum period of one year thereafter or till completion of acidization jobs in maximum of two wells, whichever is earlier.
- 2.2 **Mobilisation and demobilization of Equipment, Consumables and Personnel :** As and when the Acidization related jobs as provisioned in the contract comes up, Company will issue advance notice to the Contractor giving clear seven (7) days time to mobilize their equipment, consumables and personnel to take up the jobs accordingly at the designated site. The Contractor then immediately on receipt of such mobilisation notice from Company will mobilise the resources up to the site as requisitioned within seven (7) (including the journey time). On completion of the site jobs in consistence with the requisition from Company, the Contractor will demobilize their resources from site to their base. All related costs towards the mobilisation and demobilization as above will be entirely borne by the Contractor and the rates to be quoted accordingly. Also, food, accommodation and preliminary medical facilities etc. as required for Contractor's Crew at well site during the job execution will be the sole responsibility of the Contractor.

3.0 GENERAL OBLIGATIONS OF CONTRACTOR:

Contractor shall, in accordance with and subject to the terms and conditions of the Contract:

- 3.1 Perform the work described in the Scope of Work/Terms of Reference (Section - V) in most safe and cost effective manner accepted in accordance with international oilfield practice.
- 3.2 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.
- 3.3 Contractor shall arrange for transportation of their equipment, consumables etc. from their yard up to the designated well site of OIL in western Rajasthan and take back the same after job completion at their own expenses.
- 3.4 Contractor shall keep their equipment in good working order and shall begin the work with sufficient spares/consumables to avoid interruption/suspension of operations in between.
- 3.5 Contractor shall furnish to Company the details of all equipment, duration of deployment of each equipment, spares and consumable etc. which they are offering for execution of this contract. These details shall include year of manufacture, date of purchase, name of manufacturer/supplier, make, model, serial number, specifications, country of origin, duration of deployment etc.
- 3.6 Contractor shall furnish Bio-data of their key personnel who shall be operating/supervising the jobs at site.

- 3.7 Contractor shall bear all expenses on account of repair/replacement of all their equipment etc. consequent upon any damage/loss/non-performance during the course of operation/job execution in the well.
- 3.8 Contractor shall be bound by laws and regulations of Government of India and other statutory bodies in India.
- 3.9 Contractor shall bear all taxes including road tax, entry tax and insurance premiums for their vehicles brought to India or purchased in India including registration fees, fitness fees and road/goods taxes etc.
- 3.10 Contractor shall bear all costs for transportation of their equipment and other materials.
- 3.11 Contractor shall use to the fullest extent all facilities available in India provided they are technically / operationally acceptable.
- 3.12 Contractor shall follow its own safety rules, in addition to rules prescribed under Indian Laws in this respect. Contractor's personnel must take extra precaution and must use adequate safety gears while transporting/handling acid and carrying out acidization jobs. Company will no way be responsible/liable for any mishap/loss/ injury sustained by any body during such operations.
- 3.13 Contractor shall arrange all entry permits, inner line permits etc. wherever required, in respect of its staff deployed under the contract. Company shall, however, issue necessary letters only to Contractor for the same. Normally Contractor will request for issue of such letters at least seven working days in advance.
- 3.14 Contractor shall arrange food accommodation and medical facilities as required for their personnel at well site during the job execution at their cost. OIL will only provide leveled empty area for Contractor to establish temporary camp, if asked for.
- 3.15 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.
- 3.16 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 in so far as otherwise provided, cover all its obligations under the contract.

4.0 GENERAL OBLIGATIONS OF THE COMPANY:

Company shall, in accordance with and subject to the terms and conditions of the contract:

- 4.1 Pay Contractor in accordance with terms and conditions of the contract.
- 4.2 Allow Contractor and their personnel access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.
- 4.3 Services of Rig, Mobile Crane and area lighting at the location/well will be provided by OIL as and when required by the Contractor for their performance.

- 4.4 The Company shall provide, if required, all necessary documents for clearance from Govt. of India or States or their departments or undertakings and will extend all possible assistance and necessary help to the Contractor. The Contractor will give Company seven clear working days for arranging such documents/certificates, provided all the documents submitted by the Contractor are in order.
- 4.5 Company shall organise all possible help from local government/administration to Contractor's personnel and equipment in case of natural disasters, civil disturbances and epidemics.
- 4.6 Perform all other obligations of the Company required by the terms of the contract.
- 5.0 PERSONNEL TO BE DEPLOYED BY THE CONTRACTOR :
- 5.1 Contractor warrants that it shall provide competent, qualified and sufficiently experienced personnel to perform the work correctly and efficiently.
- 5.2 The Contractor should ensure that their personnel observe applicable Company and statutory safety requirement. Upon Company's written request, the Contractor, entirely at its own expense, shall remove immediately, any personnel of the Contractor determined by the Company to be unsuitable and shall promptly replace such personnel with personnel acceptable to the Company.
- 5.3 The Contractor shall be solely responsible throughout the period of the contract for providing all requirements of their personnel including but not limited to, their transportation to & fro from their base up to Company's drilling locations, enroute/ local boarding, lodging & medical attention etc. Company shall have no responsibility or liability in this regard.
- 5.4 Contractor's key personnel shall be conversant in English language
- 6.0 CONFIDENTIALITY, USE OF CONTRACT DOCUMENTS AND INFORMATION:
- 6.1 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.
- 6.2 Contractor shall not, without Company's prior written consent, make use of any document or information except for purposes of performing the contract.
- 6.3 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.
- 7.0 TAXES, DUTIES AND LEVIES:
- 7.1 The prices/rates to be quoted by the bidders must be inclusive Personal tax, Corporate tax, Service tax, Entry tax, Sales tax / Excise duty and VAT on local purchases made by the Contractor as per tariff / rates applicable on the date of submission of bid. Only R&D Cess, if applicable, shall be borne by the Company. However, maintenance of proper records, submission of returns and all other statutory obligations under such tax laws will be entirely the responsibility of the Contractor.

7.2 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.

8.0 SUBSEQUENTLY ENACTED LAWS :

Subsequent to the date of bid opening if there is a change in or enactment of any Indian law which results in an additional cost or reduction in cost under the Contract to Contractor, such additional cost shall be reimbursed by Company to Contractor on submission of documentary evidence that the Contractor has duly borne the additional implication as envisaged under the said law or such reduction in cost shall be refunded by the Contractor to Company as the case may be.

9.0 INSURANCE :

The Contractor shall arrange insurance to cover all risks in respect of personnel, materials and equipment belonging to the Contractor or its subcontractor during the currency of the contract.

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 (Proforma-II in Section-X). Upon review of Contractor's estimate, Company shall establish and set forth in the Change Order the amount of the compensation or credit for the change or a basis for determining a reasonable compensation or credit for the change. If Contractor disagrees with 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 13.0 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.

12.0 TERMINATION :

12.1 TERMINATION ON EXPIRY OF THE TERMS (DURATION)

The contract shall be deemed to be 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 the Contract on account of Force Majeure as set forth in Article 11.0.

12.3 TERMINATION ON ACCOUNT OF INSOLVENCY :

In the event that the Contractor at any time during the term of the Contract, becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Company shall, by a notice in writing have the right to terminate the Contract and all the Contractor's 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 the Contract by giving seven 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 the Contract and/or the Contractor's rights, title and interest to the equipment/material, are transferred or assigned without the Company's consent, the Company may at its absolute discretion, terminate the Contract.

12.6 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 the Contract, the parties shall continue to be bound by the provisions of the Contract that reasonably require some action or forbearance after such termination.

12.7 If at any time during the term of the Contract, breakdown of Contractor's equipment results in Contractors being unable to perform their obligations hereunder for a period of 15 successive days (not including Force majeure delay or breakdown of Contractor's equipment caused by a well blow-out or the consequences thereof) Company, at its option, may terminate the 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.

- 12.8 Upon termination of the Contract, Contractor shall return to Company all of Company's items, which are at the time in Contractor's possession.
- 12.9 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 7 (seven) days written notice to the Contractor due to any other reason not covered under the above clause from 12.1 to 12.7 and in the event of such termination the Company shall not be liable to pay any cost or damage to the Contractor except for payment for services, personnel charges and other charges as per the Contract up to the date of termination.
- 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 demobilise their personnel & materials.

13.0 **SETTLEMENT OF DISPUTES AND ARBITRATION:**

All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of the contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Indian Arbitration and Conciliation Act, 1996. The venue of arbitration will be Jodhpur, Rajasthan or 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 the Contract shall be sent in writing or by Fax or E-mail and confirmed in writing to the applicable address specified below :

COMPANY
 OIL INDIA LIMITED
 12, OLD RESIDENCY ROAD
 JODHPUR - 342011
 RAJASTHAN (INDIA)
 Fax No. 0291- 2431689
 Email – mat_rp@oilindia.in

CONTRACTOR

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

15.0 **SUBCONTRACTING:**

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

16.0 **MISCELLANEOUS PROVISIONS:**

- 16.1 (a) 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.

- (b) 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.
- 16.2 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.
- 16.3 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 AND PENALTY:
- 17.1 Contractor is to ensure mobilization of entire package with manpower at the designated well site in Rajasthan within 15 days of receipt of notice from Company against each call. In the event of the Contractor's default in timely mobilization for commencement of well testing operations within the agreed period as stipulated in the contract, the Contractor shall be liable to pay liquidated damages @ 0.5% of the total evaluated contract cost for delay of each week or part thereof, subject to maximum of 7.5%. The Liquidated damages will be reckoned from the date after expiry of scheduled mobilization period till the date of actual commencement of contract as defined in the contract document. The Company also reserves the right to cancel the contract without any compensation whatsoever in case of Contractor's failure to mobilize and commence operation within the stipulated period.
- 17.2 Once the equipment, accessories and manpower etc. as per provision of contract are mobilised at site by the Contractor and well testing operation is resumed, it is expected that the services are carried out without any interruption. However, in case the operation is suspended for more than one hour for reasons solely attributable to the Contractor, penalty @ 200% of the Standby charges/Rental day rate will become payable by the Contractor to Company per hour of delay or part thereof for the entire period of such interruption. Additionally, no charges like standby or operating charges will be payable during the period of haultage/suspension of work, if the reason of suspension is solely attributable to the Contractor.

(END OF SECTION – III)

SECTION – IV

SPECIAL CONDITIONS OF CONTRACT

1.0 ASSOCIATION OF COMPANY'S PERSONNEL

- 1.1 Company may depute more than one representative to act on its behalf for overall co-ordination and operational management at location. Company's representative shall have the authority to order any changes in the scope of work to the extent so authorised and notified by the Company in writing. He shall liaise with the Contractor, monitor the progress so as to ensure the 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.
- 1.2 There shall be free access to all the equipment of the Contractor during operations and idle time by Company's representatives for the purpose of observing / inspecting the operations performed by Contractor in order to judge whether, in Company's opinion, Contractor is complying with the provisions of the contract.

2.0 PROVISION OF PERSONNEL AND FACILITIES

- 2.1 The Contractor shall provide qualified and experienced personnel for the services as per provision of this contract. All the personnel offered must have adequate experience in respective field and at least the key personnel should be fluent in English language. On Company's request, Contractor shall remove and replace at their own expenses, any of their personnel whose presence is considered undesirable in the opinion of Company. The Contractor shall provide the supporting staff at their own expenses. Documentary evidence, identity cards etc. shall be submitted by the Contractor in support of the bio-data against which Company's representative will certify completeness of mobilisation of the Contractor for start of operations.
- 2.2 The Contractor shall be responsible for, and shall provide for all requirements of their personnel, and of their sub-contractor, if any, including but not limited to their insurance, housing, medical services, messing, transportation (both air and land transportation), vacation, salaries and all amenities, termination payment and all immigration requirement and taxes, if any, payable in India or outside at no charge to the Company. Boarding and lodging for Contractor's personnel at well site will also be arranged by the Contractor.
- 2.3 The Contractor's representative shall have all the power requisite for performance of the work. He shall liaise with the Company's representative for the proper co-ordination and timely completion of the job and on any other matters pertaining to the job.
- 2.4 Contractor will arrange transportation of their equipment/tools and personnel to and from well site at their cost.

3.0 LABOUR

- 3.1 The recruitment of un-skilled labour, if any will have to be met from the areas of operation and wages will be according to the rates prevalent at the time which can be obtained from the district authorities of the area. The facilities to be given to the labourers should conform to the provisions of labour laws as per Contract Labour (Regulation & Abolition) Act, 1970.

4.0 LIABILITY

- 4.1 Except as otherwise expressly provided, neither Company nor its servants, agents, nominees, Contractors, or subcontractors 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 his Contractors or subcontractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Company and/or its servants, agents, nominees, assignees, Contractors and subcontractors. 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.
- 4.2 Neither Company nor its servants, agents, nominees, assignees, Contractors, subcontractors 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 subcontractors 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 subcontractors. Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting there from.
- 4.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause his underwriters to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, contractors and subcontractors for loss or damage to the equipment of the Contractor and/or its subcontractors when such loss or damage or liabilities arises out of or in connection with the performance of the Contract.
- 4.4 The Contractor hereby further agrees to waive its right of recourse and agrees to cause its under writers to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, contractors and subcontractors for injury to, illness or death of any employee of the contractor and of its contractors, subcontractors and / or their employees when such injury, illness or death arises out of or in connection with the performance of the Contract.
- 4.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, contractors or subcontractors 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 his contractors or subcontractors, 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 subcontractors. The Company shall protect, defend, indemnify and hold harmless Contractor from and against such loss of damage and any suit, claim or expense resulting therefrom.
- 4.6 Neither Contractor nor its servants, agents, nominees, assignees, contractors, subcontractors shall have any liability or responsibility whatsoever to whomsoever or injury to, illness, or death of any employee of the Company and/or of its contractors or subcontractors 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 subcontractors Company shall protect, defend indemnify and hold harmless contractor from and against such liabilities and any suit, claim or expense resulting therefrom.
- 4.7 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 subcontractors for loss or damage to the equipment of Company and/or its contractors or subcontractors when such loss or damage or liabilities arises out of or in connection with the performance of the Contract.

4.8 The Company hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against contractor and / or its underwriters, servant, agents, nominees, assignees, contractors and subcontractors for injury to, illness or death of any employee of the Company and of its contractors, subcontractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the contract.

5.0 CONSEQUENTIAL DAMAGE

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 of 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.

6.0 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.

7.0 PAYMENT & INVOICING PROCEDURE

- 7.1 Full payment will be released after adjusting the recoveries/deductions, if any, against Contractor's invoice after completion of jobs in each well. Contractor must submit their invoice in triplicate to OIL's HEAD (D & RS), payment against which will be released by Company by way of cheque within 15 days of receipt, if undisputed. Dispute, if any, will be intimated to the Contractor within 15 days of submission of invoice and the payment will be released only after such problem/anomalies are settled.
- 7.2 Company shall pay to Contractor, during the term of the contract, the amount due calculated according to the rates of payment set and in accordance with other provisions hereof. No other payments shall be due from Company unless specifically provided for in this contract. All payments will be made in accordance with the terms hereinafter described.
- 7.3 All payments due by Company to Contractor can also be made at Contractor's designated bank. All bank charges will be to Contractor's account.
- 7.4 Payment of any invoices shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the date of payment shall make and deliver to Contractor written notice of objection to any item or items the validity of which Company questions.
- 7.5 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.
- 7.6 Contractor shall maintain complete and correct records of all information on which Contractor's invoices are based up to 2 (two) years from the date of last invoice. Such records shall be required for making appropriate adjustments or payments by either party in case of subsequent audit query / objection. Any audit conducted by Company of Contractor's records, as provided herein, shall be limited to Company's verification (i) of the accuracy of all charges made by Contractor to Company and (ii) that Contractor is otherwise in compliance with the terms and conditions of this Agreement.

8.0 WITH-HOLDING

8.1 Company may with-hold or nullify the whole or any part of the amount due to Contractor 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-V.
- (b) Contractor's indebtedness arising out of execution of this contract.
- (c) Defective work not remedied by Contractor.
- (d) Claims by sub-contractor of Contractor or others filed or on the basis of reasonable evidence indicating probable filing of such claims against Contractor.
- (e) Failure of Contractor to pay or provide for the payment of salaries / wages, contributions, unemployment, compensation, taxes or enforced savings with-held 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 this contract. If, during the progress of the work Contractor shall allow any indebtedness to accrue for which Company, under any circumstances in the opinion of Company may be primarily or contingently liable or ultimately responsible and Contractor shall, within five days after demand is made by Company, fail to pay and discharge such indebtedness, then Company may during the period for which such indebtedness shall remain unpaid, with-hold from the amounts due to Contractor, a sum equal to the amount of such unpaid indebtedness.
- (j) With-holding will also be effected on account of the following :
 - i) Garnishee 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.

8.1.1 When all the above grounds for with-holding payments shall be removed, payment shall thereafter be made for amounts so with-held.

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

9.0 SET OFF

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

10.0 APPLICABLE LAW

- 10.1 The contract shall be deemed to be a contract made under, governed by and construed in accordance with the laws of India.
- 10.2 The Contractor shall ensure full compliance of various Indian Laws and Statutory Regulations, to the extent applicable, as stated below, but not limited to, in force from time to time and obtain necessary permits / licenses etc. from appropriate authorities for conducting operations under the Contract :
- a) The Mines Act - as applicable to safety and employment conditions.
 - b) The Minimum Wages Act, 1948.
 - c) The Oil Mines Regulations, 1984.
 - d) The Workmen's Compensation Act, 1923.
 - e) The Payment of Wages Act, 1963.
 - f) The Payment of Bonus Act., 1965.
 - g) The Contract Labour (Regulation & Abolition) Act, 1970 and the rules framed thereunder.
 - h) The Employees Pension Scheme, 1995.
 - i) The Interstate Migrant Workmen Act., 1979 (Regulation of employment and conditions of service).
 - j) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - k) The RST Act.
 - l) Service Tax Act.
 - m) Customs and Excise Acts and rules framed thereunder

11.0 POLLUTION OR CONTAMINATION

- 11.1 Company agrees that Contractor shall not be responsible for and Company shall indemnify and hold Contractor its agent, servants, officers and employees harmless from any liability, loss, cost or expense for loss or damage from pollution or contamination arising out of or resulting from any of Contractor's services / operations unless such pollution or contamination is caused by Contractor's willful misconduct or gross negligence.
- 11.2 Notwithstanding anything to the contrary contained herein, it is agreed that Company shall release, indemnify and hold Contractor and its Sub-contractors harmless from any and all claims, judgments, losses, expenses and any costs related thereto (including but not limited to Court costs and 'Attorneys fees) for :
- a) Damage to or loss of any reservoir or producing formation
 - b) Damage to or loss of any well
 - c) Any other subsurface damage or loss, and
 - d) Any property damage or loss or personal injury or death arising out of or in connection with a blowout, fire explosion and loss of well control regardless of cause.

12.0 MOBILISATION PERIOD

- 12.1 The successful bidder must be able to mobilise their personnel, all equipment, tools, spares and all other necessary materials required for carrying out the intended jobs within 7 days from the date of issue of mobilization notice by the Company against each call.
- 12.2 The successful bidder, following award of the contract and mobilization of the crew and equipment, will be required to provide services as and when required as desired by Company on call-out basis in line with the scope of work.

(END OF SECTION – IV)

SECTION - V

SCOPE OF WORK /TERMS OF REFERENCE

1.0 PREAMBLE :

Rajasthan Project of OIL INDIA LIMITED (OIL), a Govt. of India Enterprise, is engaged in exploration and production of natural gas from its Jaisalmer basin and exploration of heavy oil in Bikaner-Nagaur basin in western Rajasthan. In addition, the Company is carrying out various exploration activities in Rajasthan in five NELP blocks as Operator under PSC agreement with Govt. of India.

In the exploration block acquired under NELP-VI, Company has planned to drill few exploratory wells from April, 2010. The Block is in Baghwala area in Bikaner district of Rajasthan and situated around 350 KM from Jodhpur. It may be required to carry out acidization jobs during production testing of these exploratory wells. It is, therefore, planned to hire the Acidization Services complete with equipment, manpower and chemicals from a reputed domestic Service Provider on call-out basis (as and when required).

2.0 TERMS OF REFERENCE & TECHNICAL REQUIREMENTS :

The broad Scope of Work shall include the following activities.

- (a) To provide Truck-mounted high pressure Acid Pumping Unit complete with 2” steel pipe line, corner bends, flanges and 4” rubber hose pipe for 600m to 1300m well.
- (b) To provide acid tanker of minimum capacity 8 CUM with all necessary connections.
- (c) To provide Truck-mounted water Tank of minimum capacity 5 CUM
- (d) To provide Hydrochloric acid, corrosion inhibitor, sequestering agent as per requirement with supporting documents from acid supplier/manufacturer for concentration of acid.
- (e) To provide trained manpower to execute the site jobs

3.0 TECHNICAL SPECIFICATIONS :

(A) PUMPING & OTHER UNIT :

- (i) The Acid Pumping Unit should be Truck-mounted duplex piston pump with working pressure of minimum 3000 psi and discharge rate of minimum 3-4 CUM per hour at 3000 psi.
- (ii) Truck-mounted water tank of minimum capacity 5 CUM with all connections to Acid Pumping Unit.
- (iii) Truck-mounted acid tanker of minimum capacity 8 CUM for carrying acid to well site.

(B) SERVICES :

- (i) Service Provider shall, as and when required by Company, deploy adequate and experience personnel on call-out basis within seven (7) days of notice period and carry out the acidization jobs at the designated well as instructed by Company representative.
- (ii) Service Provider shall supply requisite quantity of Hydrochloric acid, corrosion inhibitor and sequestering agent as per requirement in the well as instructed by Company representative. Documents from manufacturer/supplier of acid evidencing the desired concentration of the supplied acid must be produced to the Company representative before the materials are put in to use.
- (iii) Service Provider shall provide all safety gears to its personnel alongwith all required tools and accessories to ensure uninterrupted operations.

4.0 GENERAL TERMS & CONDITIONS :

- 4.1 Service Provider will deploy skilled manpower required for carrying out the acid jobs.
- 4.2 All tools and tackles required for carrying out the intended acid jobs shall be arranged by the Service Provider at their cost.
- 4.3 Conveyance for Operating crew up to the well site, their boarding/lodging and medical facilities as required at site shall be arranged by the service Provider. Company will only provide empty leveled ground near the well site for Contractor's personnel to establish temporary camp.
- 4.4 Service Provider shall deploy the equipment and materials directly at the well site.
- 4.5 Bidders must quote lumpsum rates for consumables for each of 500 gals and 1000 gals acid jobs as provisioned in price bid format.
- 4.6 Mobilisation and demobilization charges will be paid by Company against each call.
- 4.7 The Service Provider shall carry out the jobs in accordance with the instruction of OIL's representative and perform all its obligations in accordance with the terms and conditions of the Contract. The OIL's representative at site shall render supervisory activities, this shall however, not relieve the Contractor of any of its obligations or responsibility in respect of performance of the job.
- 4.8 During currency of the contract, if any of the services /equipment/tools provided by the Service Provider are found to be defective/ not suitable for the job, the Service Provider shall replace the same at the earliest and during interim period necessary penalty clause will be applicable.
- 4.9 If any of the skilled /semiskilled or un-skilled personnel engaged by the Contractor is found to be in-competent /not suitable /un-safe to carryout the job or of doubtful integrity, the Contractor will replace the same immediately.

5.0 LIQUIDATED DAMAGES AND PENALTY:

- 5.1 Contractor is to ensure mobilization of entire package with manpower at the designated well site in Rajasthan within 7 days of receipt of notice from Company against each call. In the event of the Contractor's default in timely mobilization for commencement of acidization operations within the agreed period as stipulated in the contract, the Contractor shall be liable to pay liquidated damages @ 0.5% of the total evaluated contract cost for delay of each week or part thereof, subject to maximum of 7.5%. The Liquidated damages will be reckoned from the date after expiry of scheduled mobilization period till the date of actual commencement of contract as defined in the contract document. The Company also reserves the right to cancel the contract without any compensation whatsoever in case of Contractor's failure to mobilize and commence operation within the stipulated period.
- 5.2 Once the equipment, accessories and manpower etc. as per provision of contract are mobilised at site by the Contractor and well acidization operation is resumed, it is expected that the services in that well would be carried out without any interruption. However, in case the operation is suspended for more than one hour for reasons solely attributable to the Contractor, penalty @ 200% of the Standby charges/Rental day rate will become payable by the Contractor to Company per hour of delay or part thereof for the entire period of such interruption. Additionally, no charges like standby or operating charges will be payable during the period of haultage/suspension of work, if the reason of suspension is solely attributable to the Contractor.

(END OF SECTION – V)

SECTION - VI

BID FORM AND PRICE SCHEDULE DETAILS

(A) BID-FORM

Date :
Tender No. : JCO 7203 P10
(Insert Bidder's name and address)

Gentlemen,

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

We undertake, if our Bid is accepted, to commence the work within seven days calculated from the date of receipt of mobilization notice from Company against each call (as and when required) during the currency of the contract.

If our Bid is accepted, we will obtain the Guarantee of a Bank for sum of not exceeding 2.5% of the estimated contract value for the due performance of the Contract.

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

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

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

Dated this Day of 2010.....

(Signature)

(in the capacity of)

Bidder's Name :
Bidder's Address :

(B) PRICE SCHEDULE DETAILS :

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

1.0 MOBILISATION CHARGES :

- 1.1 Mobilisation charges should cover all local costs including en-route expenses of the Contractor with respect to mobilization of entire equipment, tools, materials, support infrastructure and operating crew as required in connection with execution of this contract up to the designated well site in western Rajasthan against a particular call by Company. This includes transportation charges, insurance and all other related en-route expenditure.
- 1.2 Mobilisation charges will become payable only when the entire requirements in consistence with the provisions of contract and call letter (mobilization notice) are mobilized at site and made ready after inspection/tests etc. at site to undertake/commence the intended operations and duly certified by Company representative.
- 1.3 Cost of Acid will be reimbursed by Company as separately provisioned in the price schedule format. Hence, cost and transportation of acid is not to be included in Mobilisation charges.

2.0 STANDBY CHARGES / RENTAL:

Standby Charges / Rental of equipment and manpower together to be quoted as provisioned in Proforma-II of SECTION-X. This will become payable from the date and time mobilization is completed (duly certified by Company representative) at the site against a particular call till the date of demobilization as advised by Company after job completion in that well.

3.0 OPERATING CHARGES :

Operating Charges of various equipment as provisioned in Proforma-II of SECTION-X will be paid for the actual duration of operating hours as instructed by OIL's representative (Chemist) at site. This will be paid in addition to the above mentioned standby/rental charges. Hence, bidders are requested to quote only the additional expenditures they are expected to incur on account of running/operation of such equipment.

4.0 DEMOBILISATION CHARGES :

- 4.1 The Demobilisation Charges should include all charges related to demobilization of Contractor's equipment, tools, all other materials, support facilities and manpower from the well site to their corresponding base after completion of the well testing/acidization jobs.
- 4.2 Company shall give notice to the Contractor regarding demobilization indicating the date and time therein and Contractor must ensure that the demobilization activities are completed promptly and clear the site properly. No payment whatsoever will be accrued to Company after the date and time as advised in the demobilization notice.

(END OF SECTION – VI)

SECTION – VII

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, (Name of Bidder) (hereinafter called “the bidder”) has submitted his bid dated (Date)for the provision of certain oilfield services (hereinafter called “the bid”). KNOW ALL MEN by these presents that we (Name of Bank) of (Name of country) having our registered office at (hereinafter called “the Bank”) are bound unto Oil India Limited (herein after called “Company” in the sum of (.....) * for which payment well and truly to be made to Company, the bank binds itself, its successors and assignees by these presents. SEALED with the common seal of the said Bank this Day of , 2010 .

THE CONDITIONS of this obligation are:

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

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

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

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

DATE: SIGNATURE OF THE BANK:

WITNESS: SEAL:

(Signature, Name and Address)

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

(END OF SECTION - VII)

SECTION - VIII

FORM OF PERFORMANCE BANK GUARANTEE (UNCONDITIONAL)*

To: (Name of Company)
(Address of Company

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

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

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

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

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

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

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

**An amount is to be inserted by the guarantor, representing the percentage of the Contract price specified in the Contract, and denominated either in the currency of the Contract or in a freely convertible currency acceptable to the Company as per para 20.0 under Section-II

(END OF SECTION-VIII)

SECTION-IX

SAMPLE FORM OF AGREEMENT

THIS AGREEMENT is made on the day of 2010... between (name of Company) of (Mailing address of Company), hereinafter called “the Company”, of the one part and (Name of Contractor) (hereinafter called “the Contractor”) of the other part.

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

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

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

SIGNED, SEALED AND DELIVERED

By the said
Name _____

By the said
Name _____

On behalf of the Contractor
in the presence of:

On behalf of the Contractor
in the presence of:

Name _____
Address _____

Name _____
Address _____

* Bidders are NOT required to complete this form.

(END OF SECTION - IX)

SECTION - X

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

A. BID REJECTION CRITERIA (BRC) :

The Bid shall conform generally to the specifications and terms & conditions given in the bidding document. Bids will be rejected in case services offered do not conform to the required parameters stipulated in the technical specifications/Scope of work/Terms of reference. 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 :

1.1 Any offer which does not include all the jobs/services mentioned in the Terms of Reference/Scope of Work will be considered as incomplete and rejected.

1.2 The Bidder should have minimum three years experience and expertise in providing oil/gas well acidization services to any E&P Company, calculated up to the scheduled bid closing date. Documentary evidence to be submitted alongwith the bid to this effect. Bidder's experience of having successfully completed similar works during last seven years should be either of the following.

- (i) Three similar completed works each costing not less than Rs. 8.00 lakh.
- (ii) Two similar completed works each costing not less than Rs. 10.00 lakh.
- (iii) One similar completed works each costing not less than Rs. 16.00 lakh.

Note : Documents establishing successful execution of contracts as above must be submitted alongwith the bid, failing which the offer will be rejected. These documents should be in the form of copy of contract/work order and completion certificate/payment certificate issued by the client.

1.3 The bidder must have a minimum average annual turnover of Rs. 6.00 lakh during last three completed financial years. Bidder must provide copy of their Balance Sheet and audited profit & loss account in support of their eligibility in this regard.

1.4 Bidder must have the requisite equipment and other resources/facilities as required to carry out the intended well acidization operation, readily available with them. Details to be furnished alongwith their Bid.

1.5 The Bidder should be able to mobilize all their resources including supply of acid and start the work at well site in Rajasthan within seven (7) days of notice by Company. Categorical confirmation/undertaking in this regard must be provided in the offer.

1.6 Conditional offers will be rejected.

2.0 COMMERCIAL :

- 2.1 Bids are to be submitted in triplicate under single stage composite bid system i.e., Technical as well as Commercial details together in single offer.
- 2.2 Bidders must offer firm rates in Indian Rupees only. Rates quoted by the successful bidder must remain firm during the entire period of execution of the contract and not subject to variation on any account whatsoever. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 2.3 Bid security shall be furnished as part of the Technical Bid. The amount of bid security should be as specified in the "Forwarding Letter". Any bid not accompanied by a proper bid security will be rejected, except those are exempted.
- 2.4 Bids received after the scheduled bid closing date and time will be rejected outright.
- 2.5 The Bid documents are not transferable. Bids submitted by parties who have not purchased the Tender Document will be rejected.
- 2.6 Any bid received in the form of Telex/Cable/Fax/E-Mail will not be accepted.
- 2.7 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder or his authorized representative on all pages, failing which the bid may be rejected.
- 2.8 Bids shall contain no interlineation, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person(s) signing the bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement shall be rejected.
- 2.9 Bids must be kept valid for a minimum period of 120 days from the date of scheduled bid closing. Bids with inadequate validity will be rejected.
- 2.10 Bidders must quote clearly and strictly in accordance with the price schedule outlined in "Schedule of Rates" (Proforma-II) of bidding documents, otherwise the bid will be summarily rejected. The Bids in which the rates for any part of the work are not quoted shall be rejected. However, if no charge is involved for any of the work/item, 'NIL' should be mentioned against such part of work.
- 2.11 Bidder must accept and comply with the following clauses as given in the Bidding Document in toto, failing which offer will be rejected-
 - a) Performance Bank Guarantee clause.
 - b) Force Majeure clause
 - c) Tax liabilities clause
 - d) Arbitration clause
 - e) Applicable Law
 - f) Liquidated Damage clause

3.0 GENERAL :

- 3.1 **Proforma -I :** The Compliance statement must be filled up by bidders and to be submitted alongwith their bids. In case bidder takes exception to any clause of the bidding document not covered under BEC/BRC, then the Company has the discretion to load or reject the offer on account of such exception if the bidder does not withdraw/modify the deviation when/as advised by Company. The loading so done by the company will be final and binding on the bidders. No deviation will, however, be accepted in the clauses covered under BRC.
- 3.2 To ascertain the substantial responsiveness of the bids, Company reserves the right to ask the bidder for clarification in respect of clauses covered under BRC also and such clarification fulfilling the BRC clauses in toto must be received on or before the deadline given by the company, failing which the offer will be summarily rejected.
- 3.3 If any of the clauses in the BRC contradicts with other clauses of bidding document elsewhere, then the clauses in the BRC shall prevail.

B. BID EVALUATION CRITERIA (BEC):

- 1.0 The bids conforming to the technical specifications, terms and conditions stipulated in the bidding document and considered to be responsive after subjecting to Bid Rejection Criteria (BRC) will be considered for further evaluation as per the Bid Evaluation Criteria given below.
 - 1.1 Commercial Evaluation of bids submitted by the technically qualified bidders will be done on the basis of rates quoted by them as per the enclosed Price Schedule Format (Proforma-II) to ascertain the inter-se-ranking on total value basis considering all the items. However, it is to be clearly understood that the quantity indicated against each item therein is based on estimates/assumptions of the Company and valid for bid evaluation purpose only. Payment will be made by OIL on actual job done/studies carried out during execution of the contract.
 - 1.2 In the event of computational error between unit rate and total price, the unit rate as quoted by the bidder in original bid shall prevail. Similarly, in the event of any discrepancy between words and figures, the unit rates as quoted in words shall prevail.

STATEMENT OF COMPLIANCE
(Only exceptions/deviations to be rendered)

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

(Authorised Signatory)
Name of the Bidder : _____

NOTE : OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, should the bidders still envisage some exceptions/deviations to the terms and conditions of the bid document, the same should be indicated here and put in their Bid. If the proforma is left blank, then it would be presumed that the bidder has not taken any exception/deviation to the terms and conditions of the bid document.

PRICE SCHEDULE FORMAT / SCHEDULE OF WORK

Bidders must quote their rates strictly as per following format, which will be used for commercial evaluation of bids.

Srl. No.	Description	Unit (EOM)	Quantity	Unit Rate (INR)	Total Amount (INR)
1.	Lumpsum Mobilisation Charges of equipment, tools and other related materials/facilities & manpower for acidization jobs per call up to the designated well site in western Rajasthan.	Lumpsum	2		
2.	Standby Charges / Rental Charges of equipment & manpower etc.	Per Day	8		
3.	Operating Rate per Hour (Note : Operating Rate will be paid over and above the Standby/Rental charges on actual utilization basis)	Per Hour	10		
4.	Cost of 15% Hydrochloric Acid with corrosion inhibitor (Agromore Rhodine-213 or equivalent 0.5%) and sequestering agent (Citric Acid or equivalent 0.2%) for 1000 gals job. Cost to be quoted on FOR destination (well site) basis.	Per Job	2		
5.	Cost of 15% Hydrochloric Acid with corrosion inhibitor (Agromore Rhodine-213 or equivalent 0.5%) and sequestering agent (Citric Acid or equivalent 0.2%) for 500 gals job. Cost to be quoted on FOR destination (well site) basis.	Per Job	2		
6.	Lumpsum Demobilisation Charges of equipment, tools and other related materials/facilities & manpower from well site to Contractor's base/yard after completion of acidization jobs.	Lumpsum	2		
TOTAL EVALUATED CONTRACT COST (sum Total of all above) :					

- NOTE :1. The bidders are to quote the prices in Indian Rupees only, inclusive of all taxes and duties including but not limited to Service Tax, corporate/personal taxes etc. However, the quantum of Service Tax included in quoted rates must be separately confirmed.
3. The number of days/parameters shown above are only for the purpose of evaluation of the bids. The Contractor will be paid on the basis of the actual number of days/parameters, as the case may be.

(END OF SECTION – X)