



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

KG Basin Project
#Door No.11-4-7,
Nookalamma Temple Street,
Ramaraopeta
KAKINADA-533004 A.P.
Phone (O) 0884-2302176
FAX: 91-884-2352383
Email: kgbasin@oilindia.in

FORWARDING LETTER

(INTERNATIONAL COMPETITIVE BIDDING)

M/s. _____

Sub: Tender No. CEG3673P17 for Hiring of Silenced Flare Stack for testing HPHT wells in KG Basin Project, Andhra Pradesh.

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. OIL INDIA LIMITED (OIL), KG Basin Project is presently operating in the on-land exploration areas/block, KG-ONN 2004/1.

2.0 In connection with its operations, OIL invites International Competitive Bids (ICB) from experienced Contractors through OIL's e-procurement site for providing above services. One complete set of Bid Document covering OIL's IFB for hiring of above services is uploaded in OIL's e-procurement portal and Govt. portal. You are invited to submit your most competitive bid on or before the scheduled bid closing date and time through OIL's e-procurement portal. For your ready reference, few salient points of the IFB (covered in detail in the Bid Document) are highlighted below:

(i)	Tender No.	CEG3673P17
(ii)	Type of Bid	Single Stage-Two Bid System
(iii)	Last date of receipt of prebid queries	17.02.2017 till 17.30 Hrs; IST
(iv)	Pre-bid conference on	22.02.2017 at 10.30 Hrs; IST
(v)	Venue of Pre-Bid Conference	Office of Executive Director (KGB & BEP), Oil India Limited, D.NO.11-4-7; 3rd Floor Nookalamma Temple Street , Ramaraopet, Kakinada-533004, Andhra Pradesh, India

(vi)	Techno-commercial Bid Closing Date & Time	As per Online Tender
(vii)	Techno-commercial Bid Opening Date & Time	As per Online Tender
(viii)	Commercial Bid Opening Date & Time	Will be intimated to the eligible bidder(s) nearer the time
(ix)	Bid Opening Place	Office of Executive Director (KGB & BEP), Oil India Limited D.NO.11-4-7; 3rd Floor Nookalamma Temple Street Ramaraopet, Kakinada-533004 Andhra Pradesh, India
(x)	Bid Validity	120 days from date of closing of techno-commercial bid
(xi)	Bid Security Amount	INR 5,62,800.00 or USD 8,275.00
(xii)	Bid Security Validity	150 days from date of closing of techno-commercial bid
(xiii)	Mobilization Time	Silenced Flare stack package: Within 60 days from the date of Mobilization notice issued by the Company Personnel: Within 5(five) days from the date of Mobilization notice issued by the Company Interim Re-Mobilization of Silenced Flare stack package: Within 15 (fifteen) days from the date of Mobilization notice issued by the Company
(xiv)	Amount of Performance Guarantee	10% of the total estimated Contract value
(xv)	Validity of Performance Security	3 (three) months beyond the date of completion of the Contract
(xvi)	Duration of the Contract	6 (six) months with a provision of extension upto another 6 (six) months at same rates, terms and conditions at OIL's option.
(xvii)	Quantum of Liquidated Damage for Default in Timely Mobilization	1/2% of estimated total Contract value for delay per week or part thereof subject to maximum of 7.5%
(xviii)	Bids to be addressed to	Executive Director (KGB & BEP), Oil India Limited D.NO.11-4-7;3rd Floor Nookalamma Temple Street Ramaraopet, Kakinada-533004 Andhra Pradesh, India

2.1 Tender Document will not be issued by Company in physical form. The interested Bidders must submit their applications showing full address and e-mail address with Tender Fee (Non-refundable) of **Rs. 30,000.00 or USD 500.00** (PSU and SSI Units are exempted) through DD in favour of M/s. Oil India Limited and payable at Kakinada is to be sent to Dy.General Manager(C&P), KGB Project, Oil India Limited, 11-4-7, Nookalamma Temple Street, Ramaraopeta, Kakinada – 533004. The envelope containing the application for participation should clearly indicate "Request for participation in Tender No. **"CEG3673P17"** for easy identification and timely issue of tender document. In case of cash transfer towards procurement of tender document, details are - Bank: State Bank of India, Branch: SME, Kakinada; Town: Kakinada; Account Name: Oil India Limited; Account No: 31060874558; IFSC Code: SBIN0004248. Late application and any delay by post/courier will not be entertained.

Bidder shall require User ID and Password for online submission of Bid. Vendors having user ID & password can purchase bid documents on-line through OIL's electronic Payment Gateway.

New Vendors who do not have User ID & password shall request OIL for the issue of the same well in advance and OIL will take up to 5 working days to issue the same. Therefore bidder should not delay in making request till the last moment in their own interest. In case of delay because of late request by the bidders, OIL shall not be responsible for non-submission of Bid in absence of user ID and Password. **Alternatively, User ID and Password may be generated online by the bidders by using the link for supplier enlistment given in OIL's e-tender portal and can purchase bid documents subsequently in the similar manner.**

2.2 EXEMPTION OF TENDER FEE

If the bidder is a Micro or Small Enterprise [MSEs] under the Micro, Small and Medium Enterprises Development Act, 2006 and is registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises, then they are exempted from payment of tender fees for the items/services for which they are registered. Copy of valid Registration Certificate, must be enclosed along with the application for issuing tender documents and the Registration Certificate should clearly indicate the items/services for which bidder are registered [or they intend to quote against OIL tenders] with any of the aforesaid agencies.

The Central Govt. Departments and Central Public Sector Undertakings will also be exempted from the payment of tender fee. Parties registered with DGS&D, having valid certificates will be exempted from payment of tender fee.

Application for exemption of Tender Fee must reach the office of Executive Director (KGB&BEP), KGB Project, Oil India Limited, 11-4-7, Nookalamma Temple Street, Ramaraopeta, Kakinada – 533004 within the bid selling period

2.3 **GUIDELINES FOR PARTICIPATING IN OIL'S E-PROCUREMENT**

To participate in OIL's E-procurement tender, bidders should have a legally valid Digital Signature Certificate **of Class 3 with Organizations Name** as per Indian IT Act from the licensed Certifying Authorities operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India (<http://www.cca.gov.in>). **Digital Signature Certificates having "Organization Name" field as "Personal" are not acceptable.** The digital signature should be of Class 3 digital certificate for the designated individual with organization name. Bidders must have a valid User Id to access OIL e-Procurement site. Bidder shall request OIL through e-mail or fax or letter along-with the cost of bid documents for issue of the user ID for accessing the e-Tender. The user ID shall be issued to the eligible bidders on receipt of the requisite cost of bid document through e-mail. In case any bidder is exempted from paying the Tender Fee, the request letter should accompany the supporting documents for issue of the User ID on free of charge basis. Bidders, who do not have a user id, can click on Guest login button to view the available open tenders. The detailed guidelines are available in OIL's e-procurement site.

For any clarification **with respect to uploading of Bid or system related problems**, bidders may contact the OIL at erp_mm@oilindia.in, ph +91 374 2807171/7192.

For any clarification **with respect to the terms of Tender** including Scope of Works etc., Bidders may contact at kqbasin@oilindia.in.

3.0 **IMPORTANT NOTES**

Bidders shall take note of the following important points while participating in OIL's e-procurement tender:

- i) The bid along with all supporting documents must be submitted through OIL's E-procurement site only except the following documents which shall be submitted manually by the bidder in sealed envelope superscribed with OIL's IFB No. and Bid Closing date to Group General Manager, KG Basin Project, Oil India Limited, D.No.11-4-7; 3rd Floor, Nookalamma Temple Street, Ramaraopet, Kakinada-533004:
 - a) Original Bid Security
 - b) Power of Attorney for signing the bid.
 - c) Printed catalogue and Literature, if called for in the tender.
 - d) Any other document required to be submitted in original as per tender requirement.

The above documents including the Original bid security must be received at OIL's office of the Executive Director on or before the Techno-commercial bid opening date. A scanned copy of the Bid Security shall also be uploaded by the bidder along with their Techno-commercial Bid in OIL's E-procurement site.

- ii) Bid should be submitted online in OIL's E-procurement site up to 11.00 AM (IST) (Server Time) on the date as mentioned and will be opened on the same day at 3.00PM (IST) at the office of the Executive Director, KG Basin Project in presence of the authorized representatives of the bidders.

- iii) **The tender is invited under SINGLE STAGE-TWO BID SYSTEM.** The bidders shall have to submit both the "TECHNO-COMMERCIAL" and "PRICED" bids through electronic form in the OIL's e-Procurement portal within the techno-commercial Bid Closing Date and Time stipulated in the e-Tender. The Technical Bid along with all technical documents related to the tender should be uploaded under "Technical RFx Response" Tab only. Bidders to note that no price/cost details should be uploaded in "Technical RFx response" Tab page. Details of Price/rates as per Price Bid Format/Price Bid can be uploaded as Attachment option under "Notes & Attachments" tab. The price/rates quoted in the "PRICE BIDDING FORMAT" only shall be considered for bid evaluation and award of contract.

4.0 **Integrity Pact**

The Integrity Pact must be uploaded in OIL's E-procurement portal along with the Technical Bid digitally signed by the same signatory who signed the Bid i.e. who is duly authorized to sign the Bid. If any bidder refuses to sign Integrity Pact or declines to submit the Integrity Pact, their bid shall be rejected straightway. Uploading the Integrity Pact with digital signature will be construed that all pages of the Integrity Pact has been signed by the bidder's authorized signatory who signs the Bid.

5.0 **Pre-Bid Conference**

- 5.1 A pre-Bid conference will be held at **Kakinada, India on 22.02.2017** or on the dates as indicated in the online tender to explain the requirements of Company in details to the interested prospective Bidders and to understand bidders' perspective including exchange of views/clarifications, if any, on the Scope of Work, Bid Rejection/Bid Evaluation Criteria and other terms & conditions of the Tender. The parties who purchase the bid documents are invited to the Pre-Bid conference. Foreign bidder may also request Oil India Limited for an invitation letter, if required, for the purpose of visa for attending the conference.
- 5.2 At the most 2 (two) representatives from each prospective bidder shall be allowed to participate in the pre-bid conference. All costs for attending the pre-bid conference shall be to prospective bidders' account.
- 5.3 The prospective bidders shall submit their queries through E-mail / Fax / Courier addressed to Executive Director (KGB&BEP), Oil India Ltd., Kakinada-533004, Andhra Pradesh prior to the date of pre-bid conference and such queries must reach OIL's office at Kakinada latest by **17.02.2017** or the date as mentioned in the on-line tender. OIL shall provide clarifications to only those queries received within this date. Queries/ Clarifications against the tender received beyond **17.02.2017** will not be entertained and replied. OIL will not be responsible for non-receipt or late receipt of any bidder's query in OIL's office. A soft copy of the queries in the word file shall also be submitted by the parties.
- 5.4 However, clarifications/exceptions/deviations, if required any, should be brought out by the bidder prior to or during the Pre-Bid Conference only. After processing these suggestions, as a sequel to the pre-bid conference, Company may communicate the changes in this regard, if agreed any, through an addendum to tender document to the prospective bidders who purchased the tender document. Company will not

accept any exception/deviation to tender conditions/specifications once the same are frozen after the pre-bid conference and the non-compliant bid (s) shall be rejected outright against this tender.

6.0 OIL now looks forward to your active participation in the IFB.

Thanking you,

Yours faithfully,
OIL INDIA LIMITED

(MVVS Murty)
Dy. General Manager (C&P)
for Executive Director (KGB&BEP)

PART-I

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. BID DOCUMENTS

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

- (a) An "Invitation for Bids" highlighting the following points:
 - (i) Company's Tender No.
 - (ii) Bid closing date and time
 - (iii) Bid opening date, time and place
 - (iv) Bid submission place
 - (v) Bid opening place
 - (vi) The amount of Bid Security
 - (vii) The amount of Performance Guarantee
 - (viii) Quantum of liquidated damages for default in timely mobilizations
 - (ix) Bid validity, Mobilisation Time & Duration of Contract
- (b) Instructions to Bidders, (Part-1)
- (c) Bid Evaluation Criteria/Bid Rejection Criteria, (Part-2)
- (d) General Conditions of Contract, (PART 3, Section-I)
- (e) Scope of Work/ Terms of Reference/Technical Specification, (PART 3, Section-II)
- (f) Schedule of Rates, (Section-III)
- (h) Integrity Pact Proforma, (Annexure-I)
- (i) Proforma for bio data of personnel (Annexure II)
- (j) Proforma undertaking from contractor's personnel (Annexure III)
- (k) Estimated CIF value of items at the time of import, (Proforma-A)
- (l) Price Schedule Format, (Proforma-B)
- (m) Bid Form, (Proforma-C)
- (n) Certificate of Compliance with respect to BRC, (Proforma-D)
- (o) Statement of Non-Compliance (except BRC), (Proforma-E)
- (p) Bid Security Form, (Proforma-F)
- (q) Performance Security Form, (Proforma-G)
- (r) Contract Form, (Proforma-H)
- (s) Proforma of Letter of Authority, (Proforma-I)
- (t) Authorization for Attending Bid Opening, (Proforma-J)
- (u) Format of agreement between bidder and their parent company (Attachment-I)
- (v) Parent company/ subsidiary company guarantee (Attachment-II)
- (w) Format of agreement between bidder their sister subsidiary/co-subsidary company and the ultimate parent/holding company of both the bidder and the sister subsidiary/co-subsidary (Attachment-III)

2.1 The bidder is expected to examine all instructions, forms, terms and specifications in the Bid Documents. Failure to furnish all information required in the Bid Documents or submission of a bid not substantially responsive to the Bid

Documents in every respect will be at the Bidder's risk & responsibility and may result in the rejection of its bid.

3.0 TRANSFERABILITY OF BID DOCUMENTS:

3.1 Bid Documents are non-transferable. Bid can be submitted only in the name of the bidder in whose name the Bid Document has been issued. However, bids in the name of 100% owned subsidiary or parent company owning 100% of Bidder Company in whose name the Bid Document has been issued shall be acceptable. Bids will be accepted only if they are in the form issued to the party.

3.2 Unsolicited offers will not be considered and will be rejected straightway.

4.0 AMENDMENT OF BID DOCUMENTS:

4.1 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 Documents through issuance of an Addendum.

4.2 The Addendum will be uploaded in OIL's E-Portal in the C-folder under the tab "Amendments to Tender 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. **Bidders are to check from time to time the E-Tender portal ("Technical RFX Response" under the tab "Amendment to Tender Documents") for any amendments to the bid documents before submission of their bids. No separate intimation shall be sent to the Bidders.**

B. PREPARATION OF BIDS

5.0 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 official and notarized English translated version, which shall govern for the purpose of bid interpretation.

5.1 **BIDDER'S/AGENT'S NAME & ADDRESS:** Bidders shall indicate in their bids their detailed postal address including the Fax/Telephone / Cell Phone Nos. and E-mail address. Similar information shall also be provided in respect of their authorized Agents in India, if any.

6.0 DOCUMENTS COMPRISING THE BID: Bids are invited under Single Stage Two Bid System. The bid to be uploaded by the Bidder in OIL's E-Tender portal shall comprise of the following components:

(I) TECHNO-COMMERCIAL BID shall comprise of following:

i	Complete technical details of the services and equipment specifications with catalogue, etc.
ii	Documentary evidence established in accordance with clause 10.0
iii	Statement of compliance with respect to BRC as per Proforma-D
iv	Statement of Non-compliance (except BRC) as per Proforma-E showing the list of deviations taken by the bidder except for the conditions under BRC
v	Bid Security (scanned) in accordance with clause 11.0 hereunder, Hard copy

	shall reach us on or before Techno-Commercial Bid Closing Date and time.
vi	Proforma-A: List of items to be imported without the CIF values
vii	Copy of Priced bid without indicating prices (Proforma-B)
viii	Integrity Pact digitally signed by OIL's competent personnel as Annexure-I attached to the bid document to be digitally signed by the Bidder.

(II) PRICED BID shall comprise of the following:

Bidder shall quote their prices with currency quoted in the following Proforma and shall upload the same in the OIL's E-Portal:

i	Price Schedule Format, (Proforma-B)
ii	Bid Form as per Proforma-C
iii	Proforma-A showing the items to be imported with the CIF values. The Priced Bid shall contain the prices along with the currency quoted and any other commercial information pertaining to the service offered.

7.0 BID FORM: The bidder shall complete the Bid Form and the appropriate Price Schedule furnished in their Bid.

8.0 BID PRICE:

8.1 Prices must be quoted by the Bidders online as per the price bid format available in OIL's E- Tender Portal in "Notes & Attachment" Tab. Unit prices must be quoted by the bidders, both in words and in figures..

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

8.3 All duties (except customs duty which will be borne by the Company) and taxes (excluding service tax) including Corporate Income Tax, Personal Tax, etc. and other Cess/levies payable by the successful bidder under the Contract for which this Bid 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.

9.0 CURRENCIES OF BID AND PAYMENT:

9.1 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.

9.2 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.

10.0 DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATIONS: These are listed in **Bid Evaluation Criteria/Bid Rejection Criteria (Part – 2)**.

11.0 BID SECURITY:

11.1 The Bid Security is required to protect the Company against the risk of Bidder's conduct, which would warrant forfeiture of the Bid Security, pursuant to sub-clause 11.8 hereunder.

11.2 All the bids must be accompanied by Bid Security for the amount as mentioned in the Forwarding Letter or an equivalent amount in other freely convertible currency. The Bid Security in original shall be submitted in a separate envelope as prescribed in Clause 15.1 below and shall be in any one of the following forms:

(a) A Bank Guarantee or irrevocable Letter of Credit in the prescribed format, vide Proforma-F: Bank Guarantee/LC issued from any of the following Banks only will be accepted:

i) Any schedule Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank in case of domestic bidder, or

ii) In case of foreign bidder, the bank guarantee can be accepted from any scheduled bank in India or from International bank who has its branch in India registered with Reserve Bank of India, or

iii) Any foreign Bank which is not a Scheduled Bank in India, provided the Bank Guarantee issued by such Bank is counter-guaranteed by any Branch situated in India of any Scheduled Bank incorporated in India.

The Bank Guarantee / LC shall be valid for the time as asked for in the Bid Document. Bank Guarantees issued by Banks in India should be on nonjudicial stamp paper of requisite value, as per Indian Stamp Act, purchased in the name of the Banker.

Bidders can submit Bid Security on-line through OIL's electronic Payment Gateway.

(b) A Cashier's cheque or Demand Draft drawn on 'Oil India Limited' valid for 90 days from the date of issue and payable at Kakinada, Andhra Pradesh, India

11.3 Any bid not secured in accordance with sub-clause 11.2 above shall be rejected by the Company as non-responsive.

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

11.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned within 30 days after finalization of IFB.

11.6 Successful Bidder's Bid Security will be discharged and/or returned upon Bidder's furnishing the Performance Security and signing of the contract. Successful bidder will however, ensure validity of the Bid Security till such time the Performance Security in conformity with Clause 29.0 below is furnished.

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

11.8 The Bid Security may be forfeited:

- i) The bidder withdraws the bid within its original/extended validity.
- ii) The bidder modifies/revise their bid suo-moto.
- iii) Bidder does not accept the order/contract.
- iv) Bidder does not furnish Performance Security Deposit within the stipulated time as per tender/order/contract.
- v) If it is established that the bidder has submitted fraudulent documents or has indulged into corrupt and fraudulent practice, the bid security shall be forfeited after due process in addition to other action against the bidder.

11.9 In case any bidder withdraws their bid during the period of bid validity, Bid Security will be forfeited and the party shall be debarred for a period of 2(two) years.

11.10 **The scanned copy of the original Bid Security in the form of either Bank Guarantee or LC or Banker's Cheque or Bank Draft must be uploaded by bidder along with the Technical bid in the "Technical RfX Response" of OIL's E-portal.** The Original Bid Security shall be submitted by the bidder to the office of Executive Director, KG Basin Project, Oil India Limited, D.No.11-4- 7; 3rd Floor, Nookalamma Temple Street, Ramaraopeta, Kakinada-533004, Andhra Pradesh, India in a sealed envelope which must reach the above address before the Techno-commercial Bid Opening date and Time failing which the bid shall be rejected

11.11 A bid shall be rejected straightway if Original Bid Security is not received within the stipulated date & time mentioned in the Tender and/or if the Bid Security validity is shorter than the validity indicated in Tender and/or if the Bid Security amount is lesser than the amount indicated in the Tender.

12.0 EXEMPTION FROM SUBMISSION OF BID SECURITY:

12.1 Central Govt. offices and Central Public Sector undertakings are exempted from submitting Bid Security.

12.2 If the bidder is a Micro or Small Enterprises (MSE) registered with District Industry Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME, then they are also exempted from submitting Bid Security. Bidding MSEs shall have to submit a Copy of valid Registration Certificate clearly indicating the monetary limit, if any and the items for which bidder are registered with any of the aforesaid agencies. In case bidding MSE is owned by Schedule Caste or Schedule Tribe entrepreneur, valid documentary evidence issued by the agency who has registered the bidder as MSE owned by SC/ST entrepreneur should also be enclosed.

13.0 PERIOD OF VALIDITY OF BIDS:

13.1 Bids shall remain **valid for 120** days after the date of bid opening prescribed by the Company. Bids of shorter validity will be rejected as being nonresponsive. If

nothing is mentioned by the bidder in their bid about the bid validity, it will be presumed that the bid is valid for 120 days from Bid Opening Date.

- 13.2 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 through Fax or e-mail. The Bid Security provided under Para 11.0 above 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.

C. SIGNING & SUBMISSION OF BIDS

14.0 FORMAT AND SIGNING OF BID:

- 14.1 Bids are to be submitted online through OIL's E-procurement portal with digital signature. The bid and all attached documents should be digitally signed by the bidder using "Class 3" digital certificates with Organizations Name [e-commerce application (Certificate with personal verification and Organisation Name)] as per Indian IT Act 2000 obtained from the licensed Certifying Authorities operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India before bid is uploaded. Digital Signature Certificates having "Organization Name" field other than Bidder's Name are not acceptable. However, aforesaid Digital Signature Certificates having Bidder's Name in the "Organization Name" field are acceptable.

The bid including all uploaded documents shall be digitally signed by duly authorized representative of the bidder holding a Power of Attorney to bind the Bidder to the contract.

If any modifications are made to a document after attaching digital signature, the digital signature shall again be attached to such documents before uploading the same. The Power of Attorney in original shall be submitted by bidder as mentioned in Para 15.1 below.

The authenticity of above digital signature shall be verified through authorized CA after bid opening and in case the digital signature is not of "Class-3" with organization name, the bid will be rejected.

Bidder is responsible for ensuring the validity of digital signature and its proper usage by their employees.

The original and all copies of the bid shall be typed or written in indelible inks. Since bids are to be submitted ONLINE with digital signature, manual signature is NOT relevant. The letter of authorisation (as per Proforma-I) shall be indicated by written Power of Attorney accompanying the Bid.

- 14.2 Any person signing the Bid or any other document in respect of this Bidding Document or other relevant documents on behalf of the Bidder without disclosing his authority to do so shall be deemed to have the authority to bind the Bidder. If it is discovered at any time that the person so signing has no authority to do so, the Company (OIL) may, without prejudice to any other right or remedy, cancel his Bid or Contract and hold the Bidder liable to the Company (OIL) for all costs and

damages arising from the cancellation of the Bid or Contract including any loss which the Company (OIL) may sustain on account thereof. Any physical documents submitted by bidders shall 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 initialled by the person or persons who has/have digitally signed the Bid.

- 14.3 Any Bid, which is incomplete, ambiguous, or not in compliance with the Bidding process will be rejected.

15.0 SUBMISSION OF BIDS

- 15.1 The tender is processed under single stage - Two bid system. Bidder shall submit the Technical bid and Priced bid along with all the Annexures and Proforma (wherever applicable) and copies of documents in electronic form through OIL's e-procurement portal within the Bid Closing Date & Time stipulated in the e-tender. For submission of Bids online at OIL's E-Tender Portal, detailed instructions is available in "**VENDOR USER MANUAL**" available in OIL's E-Tender Portal. Guidelines for bid submission are also provided in the "Forwarding Letter". The Technical Bid is to be submitted as per Terms of Reference/Technical Specifications of the bid document and Priced Bid as per the Price Schedule. The Technical Bid should be uploaded in the "Technical RFx Response" under "Techno-Commercial Bid" Tab Page only. Prices to be quoted as per Proforma-B should be uploaded as Attachment just below the "Tendering Text" in the attachment link under "Techno-Commercial Bid" Tab under General Data in the e-portal. **No price should be given in the "Technical RFx Response", otherwise bid shall be rejected.** The priced bid should not be submitted in physical form and which shall not be considered. However, the following documents shall necessarily be submitted in physical form in sealed envelope superscribing the "IFB No., Brief Description of services and Bid Closing / Opening date & Time along with the bidder's name and shall be addressed to Executive Director, KG Basin Project, Oil India Limited, D.No.11-4-7; 3rd Floor, Nookalamma Temple Street, Ramaraopeta, Kakinada-533004, Andhra Pradesh, India as indicated in the IFB:

- (i) The Original Bid Security along with 1 (one) copy.
- (ii) Power of Attorney for signing of the bid digitally
- (iii) Any other document required to be submitted in original as per bid document requirement.
- (iv) Printed catalogue and literature if called for in the bid document.

Documents sent through E-mail/Fax/Telex/Telegraphic/Telephonic will not be considered.

- 15.2 All the conditions of the Contract to be made with the successful bidder are given in various Sections of the Bid Document. Bidders are requested to state their non-compliance to each clause as per Proforma –E of the bid document and the same shall be uploaded along with the Techno-commercial Bid.
- 15.3 Timely delivery of the documents in physical form as stated in Para 15.1 above is the responsibility of the bidder. Bidders shall send the same through Registered Post or by Courier Services or by hand delivery to the Officer in Charge of the

particular tender before the Bid Closing Date and Time failing which bid shall be rejected. Company shall not be responsible for any postal delay / transit loss.

- 15.4 Bids received through the e-procurement portal shall only be accepted. Bids received in any other form shall not be accepted.

16.0 INDIAN AGENT/REPRESENTATIVE/RETAINER/ASSOCIATE: Foreign bidders shall clearly indicate in their bids whether they have an Agent/Representative/Retainer/Associate in India. In the event the overseas bidder is having an Agent/Representative/Retainer/Associate in India, the bidder should furnish the name and address of their Agent/Representative/Retainer/Associate in India and clearly indicate nature and extent of services to be provided by such an Agent/ Representative/Retainer/Associate in India and also stating in their bids whether the Agent/Representative/Retainer/Associate is 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/ Representative/ Retainer/ Associate in non-convertible Indian currency according to Import Trade Regulation of India. Unless otherwise specified, it will be assumed that agency commission is not involved in the particular bid.

Further, overseas bidders shall submit their bids directly and not through their Agent/Representative/Retainer/Associate in India. Bid submitted by Indian Agent/Representative/Retainer/Associate on behalf of their foreign principals will not be considered and will be rejected straightway. Moreover, one Indian Agent/Representative/Retainer/ Associate cannot represent more than one foreign bidder against the IFB.

The Indian Agent/Representative/Retainer/Associate will not be permitted to submit any Bid Security and Performance Security on behalf of their foreign principals and also the Indian Agent/ Representative/Retainer/Associate will not be allowed to execute the contract and receive payment against bid submitted by their foreign principals. Such bids shall be rejected straightway.

17.0 DEADLINE FOR SUBMISSION OF BIDS:

- 17.1 Bids should be submitted online as per the online tender submission deadline. Bidders will not be permitted by System to make any changes in their bid/quote after the bid submission deadline is reached.
- 17.2 No bid can be submitted after the submission dead line is reached. The system time displayed on the e-procurement web page shall decide the submission dead line.
- 17.3 The documents in physical form as stated in Para 15.1 must be received by Company at the address specified in the "Forwarding Letter" on or before the Bid Opening date & Time mentioned in the "Forwarding Letter". Timely delivery of the same at the address mentioned in the Forwarding Letter is the responsibility of the Bidders.

18.0 LATE BIDS: Bidders are advised in their own interest to ensure that their bids are uploaded and submitted in system before the closing date and time of the bid. The documents in physical form if received by the Company after the deadline for

submission prescribed by the Company shall be rejected and shall be returned to the Bidders in unopened condition immediately.

19.0 MODIFICATION AND WITHDRAWAL OF BIDS:

19.1 The Bidder after submission of Bid may modify or withdraw its Bid by written notice prior to Bid Closing Date & Time.

19.2 No Bid can be modified or withdrawn subsequent to the deadline for submission of Bids.

19.3 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 and bidder shall also be debarred from participation in future tenders of OIL.

20.0 EXTENSION OF BID SUBMISSION DATE:

Normally no request for extension of Bid Closing Date & Time will be entertained. However, OIL at its discretion, may extend the Bid Closing Date and/or Time due to any reasons.

21.0 BID OPENING AND EVALUATION:

21.1 Company will open the Bids, including submission made pursuant to clause 19.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, an authorization letter (as per Proforma-J) 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. In technical bid opening, only "Technical RFx Response" will be opened. Bidders therefore should ensure that technical bid is uploaded in the "Technical RFx Response" Tab Page only in the E-portal.

21.2 In case of any unscheduled holiday or Bandh on the Bid Opening Date, the Bids will be opened on the next full working day. Accordingly, Bid Closing Date / time will get extended up to the next working day and time.

21.3 Bids which have been withdrawn pursuant to clause 19.0 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 digitally signed and whether the bids are generally in order.

21.4 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.

21.5 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-clause 21.4.

21.6 Normally no clarifications shall be sought from the Bidders. However, for assisting in the evaluation of the bids especially on the issues where the Bidder confirms

compliance in the evaluation and contradiction exists on the same issues due to lack of required supporting documents in the Bid (i.e. document is deficient or missing), or due to some statement at other place of the Bid (i.e. reconfirmation of confirmation) or vice versa, clarifications may be sought by OIL. In all the above situations, the Bidder will not be allowed to change the basic structure of the Bid already submitted by them and no change in the price or substance of the Bid shall be sought, offered or permitted.

- 21.7 Prior to the detailed evaluation, Company will determine the substantial responsiveness of each bid to the requirement of the Bid Documents. For purpose of these paragraphs, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bid 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 Bid 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.
- 21.8 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.
- 21.9 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.
- 21.10 The Company shall perform Technical evaluation of the responsive bid(s) on the basis of **Section II 'Terms of Reference and Technical Specifications'** and **Part-2 'Bid Rejection Criteria/Bid Evaluation Criteria'**. Pursuant to Clause 21.0, the Company shall determine the successful Techno-commercial bid(s) for Price Bid opening.

22.0 OPENING OF PRICED BIDS:

- 22.1 The Company will open the Priced Bids of the technically qualified Bidders on a specific date in presence of representatives of the interested qualified bidders. Technically qualified Bidders will be intimated about the Priced Bid Opening Date & Time in advance. In case of any unscheduled holiday or Bandh on the Priced Bid Opening Date, the Bids will be opened on the next working day.
- 22.2 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.
- 22.3 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 there is a discrepancy between words, and figures, the amount in

words will prevail. If any Bidder does not accept the correction of the errors, their Bid will be rejected.

23.0 CONVERSION TO SINGLE CURRENCY: While evaluating the bids, the closing rate of exchange (CC rate) 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.

24.0 EVALUATION AND COMPARISON OF BIDS: The Company will evaluate and compare the bids as per **BID REJECTION CRITERIA (BRC) / BID EVALUATION CRITERIA (BEC), Part-2** of the Bid Documents.

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

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

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

24.4 **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.

24.5 **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.

25.0 CONTACTING THE COMPANY:

25.1 Except as otherwise provided in Clause 21.0 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 21.6.

25.2 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

26.0 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.

27.0 COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID: Company reserve 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.

28.0 NOTIFICATION OF AWARD:

28.1 Prior to the expiry of the period of bid validity or extended validity, Company will notify the successful Bidder in writing by registered letter or by fax or Email (to be confirmed in writing by registered / couriered letter) that its Bid has been accepted.

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

28.3 Upon the successful Bidder's furnishing of Performance Security pursuant to Clause 29.0 below, the Company will promptly notify each un-successful Bidder and will discharge their Bid Security, pursuant to Clause 11.0 hereinabove.

29.0 PERFORMANCE SECURITY:

29.1 On receipt of notification of award from the Company, the successful Bidder shall furnish to Company the Performance Security for an amount specified in the Forwarding Letter (and Letter of Award (LOA) issued by Company to Contractor awarding the contract) as per Proforma-F or in any other format acceptable to the Company and must be in the form of a Demand Draft or Bank Guarantee or irrevocable Letter of Credit (LC) from:

- a) Any schedule Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank in case of domestic bidder, or
- b) In case of foreign bidder, the bank guarantee can be accepted from any scheduled bank in India or from International bank who has its branch in India registered with Reserve Bank of India.
- c) Any foreign Bank which is not a Scheduled Bank in India, provided the Bank Guarantee issued by such Bank is counter-guaranteed by any Branch situated in India of any Scheduled Bank incorporated in India.

Bank Guarantee issued by a Bank, amongst others, must contain the following particulars of such bank: a) Full address. b) Branch Code. c) Code Nos. of the authorized signatory with full name and designation. d) Phone Nos., Fax Nos., Email address.

The domestic bidders will have to submit the Bank Guarantee from any of the scheduled banks and on non-judicial stamp paper of requisite value as per the Indian Stamp Act, purchased in the name of the issuing banker.

The foreign bidder will submit the Bank Guarantee from Banks of Indian origin situated in their country. In case no such bank of Indian origin is situated in their country, the Bank Guarantee may be submitted from the bankers as specified above.

The Performance Security shall be denominated in the currency of the contract.

- 29.2 The Performance Security specified above must be valid for 3 (three) months beyond the Contract duration. The Performance Security will be discharged by Company not later than 30 days following its expiry. In the event of any extension of the Contract period, Bank Guarantee shall be extended by Contractor by the period equivalent to the extended period.
- 29.3 The Performance Security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfill its obligations under the Contract.
- 29.4 The Performance Security will not accrue any interest during its period of validity or extended validity.
- 29.5 Failure of the successful Bidder to comply with the requirements of Clause 29.0 and/or 30.0 shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security or Performance Security. In such an eventuality, the party shall be debarred for a period of 2 (two) years from the date of default.

30.0 SIGNING OF CONTRACT:

- 30.1 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 Bid Documents, along with the General & Special Conditions of Contract, Technical Specifications, Schedule of Rates incorporating all agreements agreed between the two parties.
- 30.2 The successful Bidder shall sign and date the contract and return it to the Company after receipt of LOA. Till the contract is signed, the LOA issued to the successful bidder shall remain binding amongst the two parties.
- 30.3 In the event of failure on the part of the successful Bidder to sign the Contract within the period specified above or any other time period specified by Company, the Company reserves the right to terminate the LOA issued to the successful Bidder and invoke the Bid Security or the Performance Security if submitted by the successful Bidder. The party shall also be debarred for a period of 2(two) years from the date of default.

31.0 FURNISHING FRAUDULENT INFORMATION/DOCUMENTS:

If it is found that a bidder/contractor has furnished fraudulent information/documents, the Bid Security/Performance Security shall be forfeited and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act besides the legal action.

- 32.0 CREDIT FACILITY:** Bidders shall 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.

33.0 MOBILISATION ADVANCE PAYMENT

- 33.1 Request for advance payment shall not be normally considered. However, depending on the merit and at the discretion of the Company, advance against mobilization charge may be given at an interest rate of 1% above the prevailing Bank rate (CC rate) of SBI from the date of payment of the advance till recovery/refund. However, any mobilization advance shall be given in two phases – 50% of mobilization charges before shipment of materials, equipment & tools etc. and rest 50% after the shipment is completed.
- 33.2 Advance payment agreed to by the Company shall be paid only against submission of an acceptable bank guarantee whose value shall be equivalent to the amount of advance plus the amount of interest covering the period of advance. Bank guarantee shall be valid for 2 months beyond completion of mobilization and the same may be invoked in the event of Contractor's failure to mobilize as per agreement.
- 33.3 In the event of any extension to the mobilization period, Contractor shall have to enhance the value of the bank guarantee to cover the interest for the extended period and also to extend the validity of bank guarantee accordingly.

34.0 INTEGRITY PACT

- 34.1 Company shall be entering into an Integrity Pact with the Bidders as per format enclosed vide Annexure--I of the Bid Document, which has been digitally signed by competent authority of OIL. The Integrity Pact must be submitted with the Techno-commercial Bid duly signed by the same signatory who signed the Bid i.e. who is duly authorized to sign the Bid. Any Bid not accompanied by the Integrity Pact duly signed by the bidder shall be rejected straightway. Uploading the Integrity Pact with digital signature will be construed that all pages of the Integrity Pact has been signed by the bidder's authorized signatory who has signed the bid.
- 34.2 Company has appointed the following personnel as Independent External Monitors(IEM) to oversee implementation of Integrity Pact in Company: at the following addresses:
- a) SHRI SATYANANDA MISHRA, IAS(Retd.), e-Mail: satyanandamishra@hotmail.com
 - b) SHRI RAJIV MATHUR, IPS(Retd.),e-Mail ID : rajivmathur23@gmail.com

Bidders may contact the Independent Monitors for any matter related to the Tender

- 35.0 SITE VISIT:** The Bidder, at the Bidder's own cost, responsibility and risk is encouraged to visit and examine the site of work and its surroundings, understand the logistics and obtain all information that may be necessary for preparing the Bid and entering into a Contract for the required services/work.

The Contractor shall be deemed prior to Pre-bid Conference (if applicable) & submitting their Bid to have:

- a) Inspected and examined the Site and its surroundings and carried out such surveys as it considers necessary;

- b) Satisfied itself as to the nature of the work and materials necessary for the execution of the Works;
- c) Satisfied itself as to the circumstances at the Site, including, without limitation, the ground and sub-soil, the form and nature of the Site and the climate and hydrological conditions of the Site;
- d) Satisfied itself as to the means of communication with and access to & through the Site, the accommodation it may require and the precautions and the times and methods of working;
- e) Obtained for itself all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the Contract price and its obligations under the Contract;
- f) Satisfied itself with all the Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document;
- g) Ascertained the general labour position at the Site and have understood the cost associated with engagement of the labours.

36.0 SPECIFICATIONS:

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

- 37.0 LOCAL CONDITIONS:** It is imperative for each Bidder to fully inform themselves of all Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document. The bidders shall be deemed prior to submitting their bids to have satisfied themselves of the all aspects covering the nature of the work as stipulated in the Tender and obtain for themselves all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the various obligations under the Contract.

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

END OF PART-I
PART – 2

BID REJECTION CRITERIA (BRC)

The bid shall conform generally to the specifications and terms and conditions given in this bid document. Bids shall be rejected in case the services offered do not conform to required parameters stipulated in the technical specifications. Notwithstanding the general conformity of the bids to the stipulated specifications, the following requirements will have to be particularly met by the Bidders without which the same will be considered as non-responsive and rejected.

1.0 Bids shall be submitted under single stage two Bid systems i.e. Techno-commercial Bid and Priced Bid. Bids not conforming to this system shall be rejected outright.

2.0 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.

3.0 Bids with shorter validity will be rejected as being non-responsive.

4.0 Bid Security shall be uploaded as a part of the Techno-commercial Bid in OIL's E-portal. The original Bid Security shall be submitted by bidder to the office of Executive Director (KGB&BEP), KAKINADA, India in a sealed envelope and must reach office of the Executive Director, Kakinada before the Techno-commercial Bid Opening date and Time. The amount of Bid Security and its validity shall be as specified in the Bid Document. Any Bid not accompanied by a proper Bid Security will be rejected.

5.0 Any Bid containing false statement will be rejected.

6.0 Bidders must quote clearly and strictly in accordance with the price schedule outlined in "Price Bid Format" of Bid Document; otherwise the Bid will be summarily rejected.

7.0 Bidder must accept and comply with the following clauses as given in the Bid Document in toto failing which bid will be rejected.

- (i) Bid Security Clause
- (ii) Performance Guarantee Clause
- (iii) Force Majeure Clause
- (iv) Tax Liabilities Clause
- (v) Arbitration Clause
- (vi) Acceptance of Jurisdiction and Applicable Law
- (vii) Liquidated damage and penalty clause
- (viii) Guarantee/Warranty clause
- (ix) Termination Clause
- (x) Integrity Pact

8.0 Conditional offers shall be rejected straightaway.

BID EVALUATION CRITERIA (BEC)

The bidder must meet the following evaluation criteria failing which the offer shall be rejected:

1.1 Service Requirement:

(i) Bid should be complete covering all requirements mentioned in the Scope of Work for the services as laid down in bid document under scope of work and should conform to the technical specifications indicated in the bid documents, duly supported with technical catalogues/literature wherever required. Incomplete and non-conforming bids will be rejected outright.

EXPERIENCE CRITERIA (TECHNICAL)

(ii) The bidder must have in house expertise in providing **Flare Stack** as part of Surface Production testing services to be reckoned from the Original Bid closing date.

(iii) The bidder must have experience of providing in-house **Flare Stack** as part of Surface Production Testing services to **minimum 1 (one) Sour well in the last 7 years**(to be reckoned from the Original Bid closing date) having value of minimum Rs. 1.41 Crores or US\$ 0.20 million.

(iv) The key operating personnel for offered services should have experience in Onshore Production testing operations in Sour well "OR" Operation of Onshore Flare Stack in Sour well. Bidder should submit bio-data of the proposed personnel(s).

EXPERIENCE CRITERIA (FINANCIAL)

(v) The annual turnover in any of the last three financial/ accounting years (to be considered from original bid closing date of tender) shall be minimum Rs.1.41 Crore (US\$ 0.20 million).

(vi) Net worth shall be positive for preceding financial/accounting year.

Note: As a proof of having experience as per points above, the bidder should provide documentary evidence (viz. Well details, Sour Gas concentration, well locations, client's name with contact details, completion certificates from client/ Copies of contract/ Work orders/ Job logs endorsed by operator/ any other documentary evidence that can substantiate the satisfactory execution of the contracts) showing details of scope of work for the services provided to critical sour wells are to be provided. The authorized signatory of the bidder has to self-certify the same indicating experience in critical sour well in the event of a situation of non-submission of Contract copies with invoices or job logs, due to 'Confidentiality Agreement'.

1.2 The bidder may offer in-house **Flare Stack** service as part of Surface Production Testing services OR, they may offer through collaborator(s)/ joint venture partner(s) through pre-tender tie up. In case of collaboration/ joint

venture, the primary bidder has to ensure that its partner satisfies clauses 1.1 (ii), Clause 1.1 (iii) and Clause 1.1 (iv) above.

1.2.1 In case, the bidder is a consortium of companies, the following requirement shall be satisfied by the bidder:

(a) The leader of consortium shall satisfy the technical experience criteria of Clause 1.1 above. However, any one of the consortium members individually shall have to meet the financial turnover criteria as mentioned in Clause 1.1(v) above. The other members of consortium should meet minimum 25% turnover requirement.

(b) The Leader of consortium shall confirm unconditional acceptance of full responsibility of executing the 'Scope of Work' of this bid document. This confirmation shall be submitted along with the un-priced bid.

(c) All the members of consortium must undertake in their MOU that each party shall be jointly and severally liable to the Company for any and all obligations and responsibilities arising out of this Contract.

(d) MOU/ Agreement concluded by the bidder with consortium partners, shall also be addressed to the Company, clearly stating that the MOU/ Agreement is applicable to this Tender and shall be binding on them for the Contract period. In the MoU, the leader of the consortium shall confirm unconditional acceptance of full responsibility of executing the 'Scope of Work'.

(e) Only the Leader of the consortium shall buy the bid document, submit bid and sign the contract agreement (in the event of award of contract) on behalf of the consortium.

(f) The Bid Security shall be in the name of the Leader of the consortium on behalf of consortium with specific reference to consortium bid and name & address of consortium members. Similarly the Performance Security shall be in the name of the Leader on behalf of the consortium.

1.3 Eligibility criteria in case the bid is submitted on the basis of technical experience of the parent / subsidiary company:

Offers of those Bidders who themselves do not meet the technical experience criteria as stipulated in the BEC can also be considered provided the Bidder is a subsidiary company of the parent company in which the parent company has 100% stake or parent company can also be considered on the strength of its 100% subsidiary. However, the parent/ subsidiary company of the Bidder should on its own meet the technical experience as stipulated in the BEC and should not rely for meeting the technical experience criteria on its sister subsidiary/ co-subsidiary company or through any other arrangement like Technical Collaboration agreement. In that case as the subsidiary company is dependent upon the technical experience of the parent company or vice-versa with a view to ensure commitment and involvement of the parent/ subsidiary company for successful execution of the contract, the participating bidder should enclose an Agreement (as per format enclosed at Attachment – I) between the parent and the subsidiary

company or vice-versa and Parent/ Subsidiary Guarantee (as per format enclosed at Attachment – II) from the parent/ subsidiary company to OIL for fulfilling the obligation under the Agreement, along-with the techno-commercial bid.

1.4 Eligibility criteria in case the bid is submitted on the basis of technical experience of sister subsidiary / Co-subsidiary Company:

Offers of those bidders who themselves do not meet the technical experience criteria stipulated in the BEC can also be considered based on the experience criteria of their sister subsidiary/ co-subsidiary company within the ultimate parent/ holding company subject to meeting of the following conditions:-

i. Provided that the sister subsidiary/ co-subsidiary company and the bidding company are both 100% subsidiaries of an ultimate parent/ holding company either directly or through intermediate 100% subsidiaries of the ultimate parent/ holding company or through any other 100% subsidiary company within the ultimate/ holding parent company. Documentary evidence to this effect to be submitted by the ultimate parent/ holding company along-with the techno-commercial bid.

ii. Provided that the sister subsidiary/ co-subsidiary company on its own meets and not through any other arrangement like Technical Collaboration agreement meets the technical experience criteria stipulated in the BEC.

Provided that with a view to ensure commitment and involvement of the ultimate parent/ holding company for successful execution of the contract, the participating bidder shall enclose an agreement (as per format enclosed at Attachment – III) between them, their ultimate parent/ holding company and the sister subsidiary/ co-subsidiary company.

iii. In case of contracts involving multifarious activities such as – (a) manufacturing/ supply (b) installation and commissioning (c) servicing and maintenance of any equipment, then in that case, the bidding company can draw on the experience of their multiple subsidiary sister company(ies)/ co-subsidiary company(ies) specializing in each sphere of activity, i.e. (a) manufacturing/ supply (b) installation and commissioning (c) servicing and maintenance. However, all the sister subsidiary company(ies)/ co-subsidiary company(ies) and the bidding company should be 100% subsidiary company(ies) of an ultimate parent/ holding company either directly or through intermediate 100% subsidiaries of the ultimate parent/ holding company or through any other 100% subsidiary company within the ultimate/ holding parent company. Documentary evidence to the effect that all the sister subsidiary company(ies) are 100% subsidiaries of the ultimate/ holding parent company should be submitted along-with the techno-commercial bid.

1.5. i) In case, the bidder is an Indian Company /Indian Joint Venture Company, either the Indian Company/Indian Joint Venture Company or its technical collaborator /joint venture partner should meet the experience criteria. However, the Indian Company/ Indian Joint Venture Company must meet the financial turnover criteria. Indian bidders quoting based on technical collaboration/joint

venture, shall submit a Memorandum of Understanding/ Agreement with their technical collaborator /joint venture partner clearly indicating their roles under the scope of work which shall also be addressed to OIL and shall remain valid and binding for the contract period under this tender.

ii) Any party who is extending technical support by way of entering in to technical collaboration with other party shall not be allowed to submit an independent bid against the tender and such bids shall be rejected straightway. Further, all bids from parties with technical collaboration support from the same Principal/technical collaborator will be rejected.

1.6 **VINTAGE OF TOOLS / EQUIPMENT**

For Flare Stack as part of Surface Production Testing package - All major equipment offered for this service package i.e. Elevated Flare Stack, Hydraulic Systems, Burner, Ignitor and Fluid Trapping Systems shall not be more than 7 (seven) years old (i.e. manufactured not before 7 (seven) years from the original bid closing date).

The data gathering, acquisition tools namely the pressure and temperature, flow rate gauge must comply with required specification and should not be more than 3 years old. Bidder to confirm the same in their Technical Bid.

1.7 **MOBILIZATION PERIOD:**

The bidders must confirm their compliance in their "Techno-Commercial" bid to complete the mobilization within **60 days** from the date of issue of the Letter of award (LOA). Detailed mobilization schedule must be as per below:

Particulars	Mobilization Time
Mobilization of Silenced Flare Stack Package including all tools, accessories, consumables etc.	Within 60 days of Mobilization notice issued by the Company
Mobilization of Contractor's Personnel	Within 5 days of Mobilization notice issued by the Company
Interim Mobilization of Silenced Flare Stack Package including all tools, accessories, consumables etc.	Within 15 days of Mobilization notice issued by the Company

1.8 **OTHER REQUIREMENTS:**

- (i) The bid along with all technical documentations must be in English language only.
- (ii) The bidder should submit technical specification along with drawing of equipment & tools for the offered services at the time of bid submission without which the bid will be liable for rejection.
- (iii) The bidder must submit the necessary certificates from competent authorities / authorized agencies as per international standards, indicating about suitability of use of their proposed equipment in oil/gas well testing site / hazardous areas.

- (iv) The competent personnel deployed for operating Flare Stack should be fluent in English language.
- (v) Bidders must confirm to the Mobilization Schedule for the offered services.
- (vi) Bidder must submit a written commitment to bring adequate quantity of spares/consumables to meet maintenance requirements of their equipment in the course of the operations. This quantity must be sufficient to ensure that operations are not delayed at any point of time due to non-availability of equipment/spares/consumables.
- (vii) The bidder must submit a detailed site plan, dimensional layout plan for their equipment and shall indicate tentative requirement of surface area.

1.9 DOCUMENTS TO BE SUBMITTED:

To qualify for consideration, bidders are required to supply one (1) set of the following documentation, with the specific chapters, separated by dividers, in the same order as set out here below (a) to (k):

- a) A separate section summarizing the contents chapter by chapter of the qualification document.
- b) Details of company's Health, Safety and Environmental Policy and Programme together with HSE Management System.
- c) Details of relevant experience of similar services that has been undertaken as main contractor including a minimum of 1(one) critical sour in the last 7 (seven) years inside or outside India.
- d) Description and brief specifications of services offered for these projects.
- e) List of all equipment/services offered as per the Technical Specifications / Terms of Reference, including Product Sheets and supporting technical literature
- f) Vintage of all offered equipment / tools as per Clause 1.6 above.
- g) Resume of key personnel to be involved in the services with experience in their respective position.
- h) Qualifier's audited accounts for the past three (3) accounting years, in compliance with Clause 1.1(v) stated below.
- i) MOU/ Agreement concluded with consortium partners along with the techno-commercial bid, if applicable.
- j) Experience of bidder – Statement to be furnished by bidder of similar jobs executed (as per Clause 1.1 of above) in tabular form along-with copies of Contracts / work orders /completion certificates/proof of release of Performance Security/ final payment certificates issued by the clients/ job logs endorsed by clients/any other documentary evidence that can substantiate the satisfactory execution of the contracts.
- (k) In case the bidder is a subsidiary company (should be a 100% subsidiary of the parent/ultimate parent/holding company) who does not meet financial criteria by itself and submits bid based on the financial strength of its parent/ultimate parent/holding company, then following documents need to be submitted along with the technical bid.
 - (i) Audited Balance Sheet and Profit Loss Account of the parent/ultimate parent/ holding company.
 - (ii) Corporate Guarantee on parent/ultimate parent/holding company's letter head signed by an authorized official undertaking that

they would financially support their 100% subsidiary company for executing the project/job in case the same is awarded to them, and
(iii) The bidder is a 100% subsidiary company of the parent/ultimate/ holding parent company.

2.0 **GENERAL CRITERIA**

2.1 Proforma-D - The compliance statement should be duly filled up. In case bidder takes exception to any clause of bid 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.

2.2 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 on or before the deadline given by the Company, failing which the offer will be summarily rejected.

2.3 If any of the clauses in the BEC contradict with other clauses of the Bid Document elsewhere, then the clauses in the BEC shall prevail.

3.0 **PRICE BID EVALUATION CRITERIA:**

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 will be considered for further evaluation as given below.

i) 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.

ii) 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.

iii)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**.

iv) The quantities shown against each item in the "**Price Bid Format (i.e. in Proforma-B)**" shall be considered for the purpose of Bid Evaluation. It is, however, to be clearly understood that the assumptions made in respect of the number of days/parameters for various operations are only for the purpose of evaluation of the bid and the bidder will be paid on the basis of the actual work done per number of days/parameter, as the case may be.

v) 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 BID FORMAT as per Proforma-B.

4.0 **CUSTOMS DUTY** : The Tools and the services under this Contract shall be carried out in ML/PEL areas of the Company which have been issued or renewed to Company after 01/04/99 and therefore, Customs Duty on the imports under this Contract presently shall be Nil. Bidders should take note of the same while quoting. No customs duty is therefore considered for evaluation.

END OF PART – 2

PART – 3

SECTION – I

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

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

- a) **"Affiliate"** means any Person which Controls, or is Controlled by, or under common Control with a Party; "Control" in this context means ownership of more than fifty percent (50%) of the shares of a Person and/or the right to appoint majority directors on Board by contract or otherwise;
- b) **"Approval"** as it relates to Company, means written approval;
- c) **"Company"** or "OIL" means Oil India Limited;
- d) **"Company's items"** means the equipment, materials and services, which are to be provided by Company at the expense of Company and listed in the Contract;
- e) **"Company's Personnel"** means the personnel to be provided by OIL or OIL's contractor (other than the Contractor executing this Contract). The Company representatives of OIL and Consultant deployed by OIL for supervision of operations are also included in the Company's personnel;
- f) **"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;
- g) **"The Contract Price"** means the price payable to Contractor under the contract for the full and proper performance of its contractual obligations;
- h) **"Contractor"** means the individual or firm or Body incorporated performing the work under this Contract;
- i) **"Contractor's items"** means the equipment, materials and services, which are to be provided by Contractor or to be provided by Company at the expense of the Contractor, which are listed in section II under Terms of Reference and Technical Specifications;
- j) **"Contractor's Personnel"** means the personnel to be provided by the Contractor from time to time to provide services as per the contract;
- k) **"Critical Sour well"** mean as documented in industry recommended practice Volume 1 (IRP 1).
- l) **"Day"** means a calendar day of twenty-four (24) consecutive hours beginning at 06:00 hrs. and ending at 06:00 hrs.;
- m) **"Gross Negligence"** means any act or failure to act (whether sole, joint or concurrent) by a person or entity which was intended to cause, or which was in reckless

disregard of or wanton indifference to, avoidable and harmful consequences such person or entity knew, or shall have known, would result from such act or failure to act. Notwithstanding the foregoing, Gross negligence shall not include any action taken in good faith for the safeguard of life or property.

n) **Deleted**

o) **"Willful Misconduct"** means intentional disregard of good and prudent standards of performance or proper conduct under the Contract with knowledge that it is likely to result in any injury to any person or persons or loss or damage of property.

p) **"Party"** shall mean either the Company or Contractor as the context so permits and, as expressed in the plural, shall mean the Company and Contractor collectively;

q) **"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;

r) **"Work"** means each and every activity required for the successful performance of the services described in Section II, the Terms of Reference.

s) **"Co-venturers"** shall mean any co-venturers with the Company from time to time having an interest in either the PSC and/or a Joint and/or associated agreements for the purposes of exploration and production in the Operating Area and on whose behalf the Company would be deemed to have entered into this Contract.

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

2.1 **EFFECTIVE DATE:** The Contract shall become effective as of the Date Company notifies Contractor in writing (through Letter of Award) that it has been awarded the Contract. Such date of notification of award of Contract will be the Effective Date of Contract.

2.2 MOBILISATION TIME:

The mobilization of Contractor's items and personnel, as specified in the Contract, shall be completed by the Contractor within the time period mentioned in Clause 3.0 of Section II 'Terms of Reference and Technical Specifications'. Mobilization shall be deemed complete:

a. Once Contractor's items and personnel reaches the Company's or Contractor's base near to the Site, Contractor shall issue a notice of inspection (stating its readiness to commence Work as envisaged under the Contract) to the Company; and

b. Company shall inspect the Contractor's items within 10 (ten) days on receipt of the Contractor's notice of inspection. Should Company representative report any damage/ deficiency during the inspection, the mobilization shall be carried forward only after the remedy/ fulfillment of such damage/ deficiency.

c. The date on which Contractor's equipment, tools etc. alongwith requisite personnel are properly positioned for commencement of service at the 1st drilling location after obtaining all requisite permits & clearances (duly certified by the Company representative) shall be treated as date of completion of mobilisation.

2.3 DATE OF COMMENCEMENT OF CONTRACT: The date on which the mobilization is completed in all respects shall be treated as Date of Commencement of the Contract.

2.4 DURATION OF CONTRACT: The Contract shall be initially valid for a period of Six (6) months from the Commencement Date of the Contract with an option to extend the same for a further Contract period of Six (6) months at the discretion of Company at the same rates, terms and conditions. The terms and conditions shall continue until the completion/ testing / abandonment of the well being tested at the time of the end of initial term of the Contract or any extension thereof. Extension of the Contract beyond 12 months of operations will be agreed only after rates, terms and conditions are mutually agreed upon.

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 Scope of Work (Section-II) in most economic and cost effective way.

3.2 Except as otherwise provided in the Terms of Reference and the Special Conditions of Contract, provide all manpower 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 their 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 within the warranty period as Company may consider necessary for the proper fulfilling of Contractor's obligations under the Contract.

3.6 Take all measures necessary to protect the personnel, Work and facilities; and shall observe all safety regulations in accordance with acceptable oilfield practice and applicable Indian Laws such as Mines safety rules etc. Contractor shall take all measures reasonably necessary to provide safe working conditions and shall exercise due care & caution in preventing fire, explosion and blow out.

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. The period of time for which each rate shall be applicable shall be computed from and to the nearest quarter of an hour. The rates contained in the Contract shall be based on Contractor's operation being conducted on a seven (7) days week and a twenty-four (24) hours work day. Under the Contract, Contractor shall be entitled to the applicable rate defined in Section-III (Schedule of Rates). These rates are payable when the required condition has existed for a full 24 hours period. If the required condition existed for less than 24 hours then payments shall be made on pro-rata basis.

4.2 Allow Contractor 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 this 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 shall ensure that their personnel observe applicable Company and statutory safety requirement. Upon Company's written request, Contractor, entirely at its own expense, shall remove any personnel of the Contractor determined by the Company to be unsuitable, not later than 7 (seven) days without effecting the operation 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 Kakinada/ field site, en-route/ local boarding, lodging & medical attention etc. Company shall have no responsibility or liability in this regard.

5.4 Contractor's key personnel shall be fluent in the English language (both written and spoken).

6.0 WARRANTY AND REMEDY OF DEFECTS:

6.1 Contractor warrants that it shall perform the work in a professional manner and in accordance with their highest degree of quality, efficiency, and with the state of the art technology/inspection services and in conformity with all specifications, standards and drawings set forth or referred to in the Technical Specifications. They should comply with the instructions and guidance, which Company may give to the Contractor from time to time.

6.2 Should Company discover at any time during the tenure of the Contract or till the Unit/equipment/ tools are demobilised from site or base camp(if applicable) 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 subject to a maximum of the contract value payable for the defective work which needs corrective action 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 with prior permission from Company. However, nothing

hereinabove contained shall deprive the Contractor of the right to use or disclose any information:

(a) which is possessed by the Contractor, as evidenced by the Contractor's written records, before receipt thereof from the Company which however the Contractor shall immediately inform to Company ; or

(b) which is required to be disclosed by the Contractor pursuant to an order of a court of competent jurisdiction or other governmental agency having the power to order such disclosure, provided the Contractor uses its best efforts to provide timely notice to Company of such order to permit Company an opportunity to contest such order subject to prior permission from Company.

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. However, the above obligation shall not extend to information which:

- i) is, at the time of disclosure, known to the public which Contractor shall immediately inform Company ;
- ii) is lawfully becomes at a later date known to the public through no fault of Contractor subject to Contractor's undertaking that no information has been divulged by them to the public;
- iii) is lawfully possessed by Contractor before receipt thereof from Company which should be immediately informed to Company;
- iv) is developed by Contractor independently of the information disclosed by Company which should be shared with the Company;
- v) Contractor is required to produce before competent authorities or by court order subject to prior permission from Company;

8.0 TAXES:

8.1 Tax levied on Contractor as per the provisions of Indian Income Tax Act and any other enactment/rules on income derived/payments received under the 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 by Contractor.

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 the contract for submitting the same to the Tax authorities, on specific request from them in accordance with provisions under the law. Other than the information provided by the Contractor, the Contractor shall not be responsible for any inaccurate information provided by the Company to

the Tax authorities and the Company shall indemnify the Contractor for all claims, expenses, costs or losses of any nature arising from such inaccuracy. 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 Deleted

8.6 Corporate income tax shall 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 and Company will issue TDS Certificate to the Contractor as per the provisions of Income Tax Act .

8.7 Corporate and personal 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:** The price excludes Services Tax and the service tax as applicable shall be to the Company account. The Service tax amount on the taxable part of the services provided by the Contractor shall be paid by the Company as per provisions of the Service Tax Act.

9.0 INSURANCE:

9.1 The Contractor shall arrange insurance to cover all risks in respect of their personnel, materials and equipment(except when tools / equipment are below Rotary Table or in the well bore) belonging to the Contractor or its sub-Contractor (if applicable) during the currency of the contract including the third party items/ consumables. For materials/equipment belong to the Contractor or its sub-contractor, Contractor may self-insure the same.

9.2 Contractor shall at all time during the currency of the contract provide, pay for and maintain the following insurances amongst others except when tools/ equipment are below Rotary Table or in the well bore :

- 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 or Comprehensive General 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) except when tools /

equipment are below Rotary Table or in the well bore or Contractor may self-insure its tools/equipment.

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 shall be governed by Indian Insurance Regulations.

f) Public Liability Insurance as required under Public Liability Insurance Act 1991, if applicable".

9.3 Deleted

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 by Contractor for any reason whatsoever, loss/damage claims resulting there from shall be to the sole account of Contractor.

9.7 Contractor shall require all of their 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 their sub-contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company and to the extent of the liabilities assumed by Contractor under this Contract.

10.0 CHANGES:

10.1 During the performance of the work, Company may make minor change to take care of any supplementary 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 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-III)/ Proforma-B. 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 shall 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 for the period during which such cause lasts. The word 'Force Majeure' as employed herein shall mean acts of God, war, revolt, agitation, strikes, riot, fire, flood, Cyclone, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Contractor), acts of government of the two parties, which makes performance impossible or impracticable 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 fifteen days. Parties will have the right to terminate the Contract if such 'force majeure' conditions continue beyond fifteen (15) days with prior written notice. Should either party decide not to terminate the Contract even under such condition, no payment would apply after expiry of fifteen (15) days force majeure period unless otherwise agreed to.

12.0 TERMINATION:

12.1 **TERMINATION ON EXPIRY OF THE TERMS (DURATION):** The contract shall be deemed to have been automatically terminated on the expiry of duration of the Contract or the extension period, if exercised by Company under the provision of the Contract.

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 Clause 11.0 above.

12.3 **TERMINATION ON ACCOUNT OF INSOLVENCY:** In the event that the Contractor or its collaborator 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 up to the expected standard, the Company shall notify the Contractor in writing and specify in details the cause of the dissatisfaction. The Company shall have the option to terminate the Contract by giving 15 days' notice in writing to the Contractor, if Contractor fails to proceed diligently to remedy to Company's satisfaction the matter(s) complained of, within a period of 7 (seven) days after such written notice is received by Contractor.

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 If at any time during the term of the Contract, breakdown of Contractor's equipment results in Contractor being unable to perform their obligations hereunder for a period of 15 (fifteen) 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 30 (thirty) 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 for services as per the Contract up to the date of termination including the De-mob cost, if any.

12.8 **CONSEQUENCES OF TERMINATION:** In all cases of termination herein set forth, the obligation of the Company to pay for Services as per the Contract shall be limited to the period up to 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.

In the event of termination of Contract pursuant to the Clause 12.3, 12.4, 12.5 & 12.6, no Demobilization Charges shall be payable to Contractor.

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

12.10 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 equipment, personnel & materials.

13.0 SETTLEMENT OF DISPUTES AND ARBITRATION:

13.1 Arbitration (Applicable for suppliers/ contractors other than PSU) :

Except as otherwise provided elsewhere in the contract, if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same shall be referred to Arbitration as provided hereunder :

1. A party wishing to commence arbitration proceeding shall invoke Arbitration Clause by giving 30 days notice to the other party. The notice invoking arbitration shall specify all the points of dispute with details of the amount claimed to be referred to arbitration at the time of invocation of arbitration and not thereafter. If the claim is in foreign currency, the claimant shall indicate its value in Indian Rupee for the purpose of constitution of the arbitral tribunal.
2. The number of arbitrators and the appointing authority will be as under :

Claim amount (excluding claim for interest and counter claim, if any)	Number of Arbitrator	Appointing Authority
Upto Rs. 5 Crore	Sole Arbitrator	OIL
Above Rs. 5 Crore	3 Arbitrators	One Arbitrator by each party and the 3rd Arbitrator, who shall be the presiding Arbitrator, by the two Arbitrators

3. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of the arbitration clause. No person shall be appointed as Arbitrator or Presiding Arbitrator who does not accept the conditions of the arbitration clause.

4. Parties agree that there will be no objection if the Arbitrator appointed holds equity shares of OIL and/or is a retired officer of OIL/any PSU. However, neither party shall appoint its serving employees as arbitrator.

5. If any of the Arbitrators so appointed dies, resigns, becomes incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same ; otherwise, he shall proceed de novo.

6. Parties agree that neither shall be entitled for any pre-reference or pendente-lite interest on its claims. Parties agree that any claim for such interest made by any party shall be void.

7. The arbitral tribunal shall make and publish the award within time stipulated as under :

Amount of Claims and counter claims(excluding interest)	Period for making and publishing of the award (counted from the date of first meeting of the Arbitrators)
Upto Rs. 5 Crore	Within 8 months
Above Rs. 5 Crore	Within 12 months

The above time limit can be extended by Arbitrator, for reasons to be recorded in writing, with the consent of the other parties.

8. If after commencement of the arbitration proceedings, the parties agree to settle the dispute mutually or refer the dispute to conciliation, the arbitrators shall put the proceedings in abeyance until such period as requested by the parties.

9. Each party shall be responsible to make arrangements for the travel and stay etc. of the arbitrator appointed by it. Claimant shall also be responsible for making arrangements for travel/stay arrangements of the Presiding Arbitrator and the expenses incurred shall be shared equally by the parties.

In case of sole arbitrator, OIL shall make all necessary arrangements for his travel, stay and the expenses incurred shall be shared equally by the parties.

10. The Arbitration shall be held at the place from where the contract has been awarded. However, parties to the contract can agree for a different place for the convenience of all concerned.

11. The Arbitrator(s) shall give reasoned and speaking award and it shall be final and binding on the parties.

12. Subject to aforesaid, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof shall apply to the arbitration proceedings under this clause.

13.2 Arbitration (applicable in case of Contract awarded on Public Sector Enterprise):

In the event of any dispute or difference relating to, arising from or connected with the CONTRACT, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises, to be nominated by the Secretary to the Government of India, In-Charge of the Bureau of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of the arbitration as intimated by the Arbitrator.

The venue of all arbitrations under both 13.1 & 13.2 will be Kakinada, Andhra Pradesh. The award made in pursuance thereof shall be binding on the parties.

14.0 NOTICES:

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

Company

EXECUTIVE DIRECTOR (KGB & BEP)
Door No: 11-4-7(3rd Floor)
Nookalamma Temple Street
Ramaraopeta
Kakinada-533004
Andhra Pradesh
India
Fax No. 0884-2352383

Contractor

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

15.0 SUBCONTRACTING/ASSIGNMENT: Contractor shall not subcontract, transfer or assign the contract, or any part under this Contract, to any third party(ies) except with

Company's prior written consent. Except for the main operations with manpower services under this Contract, Contractor may sub-contract the petty support services subject to Company's prior approval. However, Contractor shall be fully responsible for complete execution and performance of the services under the Contract.

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 cannot be changed during the tenure of the Contract except due to sickness/death/resignation of the personnel in which case the replaced person shall 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 @ 1/2% of estimated Contract value (including mobilization cost), per week or part thereof for delay subject to maximum of 7.5% of contract value (including mobilization cost). Liquidated Damages will be reckoned from the date after expiry of the scheduled mobilization period till the date of commencement of Contract as defined in Clause No. 2.3 of Section - I.

17.2 If the Contractor fails to mobilise within 15 weeks after the stipulated date or, any extended date as agreed by the Company, then the Company reserves the right to cancel the Contract without any compensation whatsoever.

The parties agree that the sum specified above is not a penalty but a genuine pre-estimate of the loss/damage which will be suffered by OIL on account of delay/breach on the part of the Contractor and the said amount will be payable without proof of actual loss or damage caused by such delay/breach and without any demur and shall not be open for any dispute whatsoever.

18.0 PERFORMANCE SECURITY: The Contractor shall furnish to Company a Bank Guarantee/LC for 10% of estimated Contract value valid till 3 (three) months beyond the Contract Expiry date towards Performance Security. The Performance Security shall be forfeited by Company, if Contractor fails to fulfill its obligations under the Contract or in respect of any amount due from the Contractor to the Company. In the event of any extension of the Contract period, Performance Security shall be extended by the period equivalent to the extended period of the Contract. The Performance Security will be discharged by Company not later than 30 (thirty) days following its expiry.

19.0 ASSOCIATION OF COMPANY'S PERSONNEL: Company's engineers/ Company's hired engineers/ consultants will be associated with the work throughout the operations and shall at all times have complete access to the Site for the purpose of observing inspection or supervising the work performed by Contractor.

20.0 LABOUR: The recruitment of the labour shall be met from the areas of operation and wages will be according to the rates prevalent at the time which can be obtained from the District Authorities of the area. The facilities to be given to the labourers shall conform to the provisions of labour laws as per contract Labour (Regulation and Abolition) Act, 1970. However, the Contractor shall not make the Company liable to reimburse the Contractor to the statutory increase in the wage rates of the contract labour appointed by the Contractor. Such statutory or any other increase in the wage rates of the contract labour shall be borne by the Contractor.

21.0 LIABILITY:

21.1 Except as otherwise expressly provided, neither Company nor its co-leases, its servants, agents, nominees, contractors, or sub-contractors or its Affiliates or Co-venturers 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 there from.

21.2 Neither Company nor its co-leases, its servants, agents, nominees, assignees, contractors, sub-contractors or its Affiliates or Co-venturers 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 subcontractors. Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting there from.

21.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause their underwriters to waive their right of subrogation against Company and/or its co-leases, its underwrites, servants, agents, nominees, assignees, contractors and sub-contractors or its Affiliates or Co-venturers 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 limited to the Contractor's liabilities agreed to under this 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 co-leases, its underwriters, servants, agents, nominees, assignees, contractors and sub-contractors or its

Affiliates or Co-venturers 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 limited to the Contractor's liabilities agreed to under this 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 or injury or illness, or death of any employee of the Company and/or of its contractors or sub-contractors irrespective of how such injury, illness or death is caused and even if caused by the negligence of Contractor and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Company shall protect, defend indemnify and hold harmless Contractor from and against such liabilities and any suit, claim or expense resulting there from.

21.7 The Company agrees to waive its right of recourse and further agrees to cause its underwriters to waive their right of subrogation against Contractor and/ or its underwriters, servants, agents, nominees, assignees, 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 Deleted

23.0 (A) INDEMNITY AGREEMENT:

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

23.2 Except as provided hereof Company agrees to protect, defend, indemnify and hold Contractor harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Company's employees, agents, contractors and sub-contractors or their employees on account of bodily injury or death, or damage to personnel/property as a result of

the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part or other faults.

23.0 (B) 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.

24.0 PAYMENTS, MANNER OF PAYMENT, RATES OF PAYMENT, SET-OFF:

24.1 Company shall pay to the 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 the Contract. Payment to the third party supplier(s) of the items/ consumables shall be made after receipt of goods at well site duly certified by authorized personnel of the Company. All payments will be made in accordance with the terms hereinafter described.

24.2 Manner of Payment: All payments due by company to Contractor hereunder shall be made at Contractor's designated bank. Bank charges, if any will be on account of the Contractor.

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

24.4 Invoices: Mobilization charges will be invoiced only upon completion of mobilization (after commencing operation at the first well), submission/production of appropriate inventory documents and physical verification by Company representatives. Payment of mobilization charges shall be made within 30 days following the date of receipt of undisputed invoices by Company.

24.5 Contractor shall send invoice to company on the day following the end of each month for all daily or monthly charges due to the contractor.

24.6 Billings for daily charges will reflect details of time spent (calculated to the nearest quarter hours) and the rates charged for that time. This should be in the form of monthly time analysis chart(s). Monthly invoices will be raised only after spud-in of the first well.

24.7 Invoice for reimbursable charges related to the contract will be accompanied by documents supporting the cost incurred.

24.8 Contractor will submit 3(three) sets of all invoices duly super scribed 'Original' and 'copy' as applicable to the company for processing payment. Separate invoices for the charges payable under the contract shall be submitted by the Contractor for foreign currency and Indian currency.

24.9 Payment of monthly invoices, if undisputed, shall be made within 30 days following the date of receipt of invoice by Company.

24.10 Company shall within 30 days of receipt of the invoice notify the contractor of any item under dispute, specifying the reasons thereof, in which event, payment of the disputed amount may be withheld until settlement of the dispute, but payment shall be made of any undisputed portion 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 Clause 24.3 above.

24.11 The acceptance by Contractor of part payment on any billing not paid on or before the due date shall not be deemed a waiver of Contractor's rights in any other billing, the payment of which may then or thereafter be due.

24.12 Payment of demobilization charges shall be made when applicable within 45 days following receipt of invoice by Company accompanied by the following documents from the Contractor:

- a) Audited account up to completion of the Contract.
- b) Tax audit report for the above period as required under the Indian Tax Laws.
- c) Documentary evidence regarding the submission of returns and payment to taxes for the expatriate personnel engaged by the Contractor or by its sub-contractor.
- d) Proof of re-export of all items including the unutilized spares and consumables (excepting consumables consumed during the contract period) and also cancellation of re-export bond if any.
- e) Any other documents as required by applicable Indian Laws.

In case, no demobilization charges are payable, the documents mentioned above will have to be submitted by the Contractor before release of the final payment by the Company. A certificate from Chartered Accountant on (a), (b) & (c) above will suffice.

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

24.14 **SET-OFF:** Any sum of money due and payable to the Contractor (including Performance Security refundable to them) under this or any other Contract may be appropriated by OIL and set-off against any claim of OIL (or such other person or persons contracting through OIL) for payment of a sum of money arising out of this contract or under any other contract made by the Contractor with OIL (or such other person or persons contracting through OIL).

25.0 WITH-HOLDING:

25.1 Company may withhold 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 - II.
- 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, and 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.
- h) 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, withhold from the amounts due to Contractor, a sum equal to the amount of such unpaid indebtedness.

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

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

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

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

26.0 APPLICABLE LAW:

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

26.2 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 1952 - as applicable to safety and employment conditions.
- b) The Minimum Wages Act, 1948.
- c) The Oil Mines Regulations, 1984 or latest version.
- 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) Service Tax Act.
- l) Customs & Excise Act & Rules
- m) Andhra Pradesh Entry Tax Act, 2001
- n) OISD guidelines & procedures
- o) DGMS Guidelines/Notifications.
- p) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010
- q) The Environmental Protection Act, 1986
- r) The water (Prevention and control of pollution) act, 1974,
- s) The Air (prevention and control of pollution) Act, 1981
- t) All notifications released by MoEF time to time)
- u) Hazardous waste management and handling Rules

27.0 ENTIRE CONTRACT: This Contract contains the entire agreement between the Parties and supersedes any previous understandings, commitments, agreements or representations whatsoever, oral or written, pertaining to the subject matter hereof, provided that nothing in this Clause 27.0 (Entire Contract) shall have effect to exclude or restrict the liability of either Party for fraud or fraudulent misrepresentation.

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

29.0 Deleted

30.0 LIMITATION OF LIABILITY

Notwithstanding any other provisions herein to the contrary, except only in cases of willful misconduct and / or criminal acts,

(a) Neither the Contractor nor the Company (OIL) shall be liable to the other, whether in Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs.

(b) Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under Contract, in tort or otherwise, shall not exceed 50% of the Annualized Contract Price, provided however that

this limitation shall not apply to the cost of repairing or replacing defective equipment by the Contractor, or to any obligation of the Contractor to indemnify the Company with respect to Intellectual Property Rights.

(c) Company shall indemnify and keep indemnified Contractor harmless from and against any and all claims, costs, losses and liabilities in excess of the aggregate liability amount in terms of clause (b) above.

31.0 SUBSEQUENTLY ENACTED LAWS: Subsequent to the date of issue of letter of award if there is a change in or enactment of any law or change in application or enforcement or interpretation of existing law by any governmental authority or public body, which results in addition/reduction in cost to Contractor on account of the operation contemplated under the Contract, the Company/ Contractor shall reimburse the Contractor/pay Company for such additional / reduced costs actually incurred/ saved by Contractor, subject to the submission of documentary evidence by Contractor/ Company."

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

33.0 WAIVER: Any delay in exercising and any omission to exercise any right, power or remedy exercisable by the Company under this contract shall not impair such right, power or remedy nor shall any waiver by the Company of any breach by the Contractor of any provision of this contract prevent the subsequent enforcement of that provision by the Company or be deemed a waiver by the Company of any subsequent breach by the Contractor.

34.0 CUSTOMS DUTY

34.1 Company shall use the Equipment with the Services under the Contract in the PEL/ML areas renewed / issued to Company after 1.4.1999 and therefore, in terms of Notification No. 21 dated 01.03.2002, goods specified in List-12 imported in connection with petroleum operations under this Contract would attract zero customs duty. Company will issue Recommendatory Letter to Directorate General of Hydrocarbons(DGH), Ministry of Petroleum & Natural Gas, as per Government guidelines for issuance of Essentiality Certificate (EC) from Directorate General of Hydrocarbons, to enable the Contractor to import goods at concessional (Nil) customs duty so as to provide the services under this Contract provided these goods are specified in the List-12 of the aforesaid Notification.

34.2 Contractor should provide the list of items to be imported by them under the Contract in the format specified in Proforma-A along with their bid for issuance of Recommendatory Letter to DGH. Contractor shall make written request to Company immediately after shipment of the goods indicated by them in Proforma-A, along with the Invoices and all shipping documents (with clear 15 working days notice) requesting Company for issuance of the Recommendatory Letter. OIL shall issue the Recommendatory Letter provided all the documents submitted by the Contractor are found in order as per contract. It shall be however, Contractor's responsibility to obtain EC from DGH and clear the goods through customs. OIL shall not be liable in whatsoever manner for the rejection of their claims for zero customs duty by any of the authorities including DGH arising solely as a result of any default on the part of the Contractor.

34.3 All imports and import clearances under the contract shall be done by the contractor and OIL shall not provide any assistance in this regard.

34.4 However, in the event customs duty becomes 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 (for the first time import) and at actuals (for subsequent imports), 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 within 3 working days after Contractor submits the undisputed and clear necessary documents/duty assessment papers at Company's office at Kakinada. 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 if any excess Customs Duty becomes payable, it shall be to Contractor's account. Before filing Bill of lading, Bill of entry, the Contractor must consult the Company to avoid payment of excess Customs Duty.

34.4.1 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.

34.5 Contractor must ensure that the spares and consumables imported by them for providing the services under Contract are properly used in executing their job under the Contract in the PEL/ML areas of Company for which EC has been obtained. Contractor shall furnish to Company a certificate as and when the spares and consumables are used/consumed certifying that the spares and the consumables imported by them have been consumed in those ML and PEL areas under the contract for which ECs were obtained by them. In order to avoid any misuse of the spares and consumables imported by the Contractor for providing the services under the Contract, Contractor shall furnish an Undertaking similar to that being furnished by Company to Customs of suitable amount before issue of the Recommendatory Letter.

34.6 **DEMOBILISATION & RE-EXPORT:** The Contractor shall arrange for and execute demobilization of the entire package i.e. Tools/ Equipment/ Spare/ Accessories/ Manpower etc. upon receipt of notice for demobilization from Company. Demobilisation shall mean completion/ termination of the contract and shall include dismantling of the package, its accessories/equipment, including the manpower and re-export of the complete package (if re-exportable), its accessories/equipment, unutilized spares and consumables at the cost of the contractor. Demobilization shall be completed by Contractor within 60 days of issue of demobilization notice by Company. Immediately after re-exporting the package, its accessories, equipment and the unused spares and consumables, Contractor shall submit the detail re-export documents to Company as documentary proof of re-exporting the complete package, its accessories, equipment and the unused spares and consumables. In case of failure to re-export any of the items as above within the allotted time period of 60 days 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 and Performance Security.

34.6.1 In the event all/part of the equipment etc. are transferred by Contractor within the country to an area where nil Customs Duty is not applicable and/or sold to a third party after obtaining permission from Company and other appropriate government clearances in India including permission from DGH and Customs authorities, then Contractor shall be fully liable for payment of the Customs Duty.

34.6.2 Contractor must furnish an undertaking that "the equipment imported and also spares & accessories which remained unutilized after the expiry of the contract, would be re-exported at their own cost after completion of contractual obligation after observing all the formalities/rules as per Customs Act or any other relevant Act of Govt. of India applicable on the subject". In case of non-observance of formalities of any provisions of the Customs Act or any other Act of Govt. of India, the Contractor shall be held responsible for all the liabilities including the payment of Customs Duty and penalties to the Govt. on each issue. Non-compliance of these provisions will be treated as breach of contract and their Performance Bank Guarantee will be forfeited.

34.6.3 In the event all/part of the equipment etc. are transferred by Contractor after expiry/termination of the contract within the country to another operator for providing services, and/or sold to a third party, Contractor shall obtain all necessary Govt. of India clearances including permission from DGH and Customs authorities for transferring to another operator and/or sale of the Rig package, its accessories, equipment and the unused spares and consumables to a third party. Company will not be responsible for any non-compliance of these formalities by Contractor. Payment of Customs Duty and penalties (if any) imposed by Govt. of India or Customs authorities for transferring the items in part or in full to an area where Nil Customs Duty is not applicable or sale of the items shall be borne by the Contractor and Contractor indemnifies Company from all such liabilities.

35.0 'HSE' GUIDELINES:

35.1 The contractor shall strictly comply with the applicable and prevailing provisions of the Mines Act 1952, OISD Guidelines, and 10th Conference Recommendations of Safety in Mines. A copy of provisions of 10th Conference Recommendations in the form of 'General HSE Points' is available in the office which may be issued to successful bidders at the time of need.

35.2 It will be solely the Contractor's responsibility to fulfill all the legal formalities with respect to the Health, Safety and Environmental aspects of the entire job (namely; the person employed by him, the equipment, the environment, etc.) under the jurisdiction of the district of that state where it is operating. . Ensure that all sub-contractors hired by him comply with the same requirement as the contractor himself and shall be liable for ensuring compliance all HSE laws by the sub or sub-sub-contractors.

35.3 Every person deployed by the contractor in a mine must wear safety gadgets to be provided by the contractor. The Contractor shall provide proper Personnel Protective Equipment as per the hazard identified and risk assessed for the job and conforming to statutory requirement and Company PPE schedule. Safety appliances like protective footwear, Safety Helmet and Full Body harness has to be DGMS approved. Necessary supportive document shall have to be submitted as proof. If the Contractor fails to provide the safety items as mentioned above to the working personnel, the Contractor may apply to the Company (OIL) for providing the same. OIL will provide the safety items, if available. But in turn, OIL will

recover the actual cost of the items by deducting from Contractor's Bill. However, it will be the Contractor's sole responsibility to ensure that the persons engaged by him in the mines use the proper PPE while at work. All the safety gears mentioned above are to be provided to the working personnel before commencement of the work.

35.4 The Contractor shall prepare written Safe Operating Procedure (SOP) for the work to be carried out, including an assessment of risk, wherever possible and safe methods to deal with it/them. The SOP should clearly state the risk arising to men, machineries & material from the mining operation / operations to be done by the contractor and how it is to be managed.

35.5 The contractor shall provide a copy of the SOP to the person designated by the mine owner who shall be supervising the contractor's work.

35.6 Keep an up to date SOP and provide a copy of changes to a person designated by the Mine Owner/Agent/Manager.

35.7 Contractor has to ensure that all work is carried out in accordance with the Statute and SOP and for the purpose he may deploy adequate qualified and competent personnel for the purpose of carrying out the job in a safe manner. For work of a specified scope/nature, he should develop and provide to the mine owner a site specific code of practice in line.

35.8 All persons deployed by the contractor for working in a mine must undergo Mines Vocational Training, initial medical examination, PME. They should be issued cards stating the name of the contractor and the work and its validity period, indicating status of MVT, IME & PME.

35.9 The contractor shall submit to DGMS returns indicating - Name of his firm, Registration number, Name and address of person heading the firm, Nature of work, type of deployment of work persons, Number of work persons deployed, how many work persons hold VT Certificate, how many work persons undergone IME and type of medical coverage given to the work persons

35.10 The return shall be submitted quarterly (by 10th of April, July, October & January) for contracts of more than one year. However, for contracts of less than one year, returns shall be submitted monthly.

35.11 It will be entirely the responsibility of the Contractor/his Supervisor/representative to ensure strict adherence to all HSE measures and statutory rules during operation in OIL's installations and safety of workers' engaged by him. The crew members will not refuse to follow any instruction given by Company's Installation Manager / Safety Officer / Engineer / Official / Supervisor/Junior Engineer for safe operation.

35.12 Any compensation arising out of the job carried out by the Contractor whether related to pollution, Safety or Health will be paid by the contractor only.

35.13 Any compensation arising due to accident of the Contractor's personnel while carrying out the job, will be payable by the contractor.

35.14 The contractor shall have to report all incidents including near miss to Installation Manager / departmental representative of the concerned department of OIL.

35.15 The contractor has to keep a register of the persons employed by him/her. The contractor's supervisor shall take and maintain attendance of his men every day for the work, punctually.

35.16 If the Company arranges any safety class / training for the working personnel at site (Company employee, contractor worker, etc.) the contractor will not have any objection to any such training.

35.17 The health checkup of contractor's personnel is to be done by the contractor in authorized Health Centers as per OIL's requirement & proof of such test(s) is to be submitted to OIL. The frequency of periodic medical examinations should be every five years for the employees below 45 years of age and every three years for employees of 45 years of age and above.

35.18 To arrange daily tool box meeting and regular site safety meetings including pit level meeting and maintain records.

35.19 Records of daily attendance, accident report etc. are to be maintained in Form B, E, J (as per Mines Rules 1955) by the contractor.

35.20 A contractor employee must, while at work, take reasonable care for the health and safety of people who are at the employee's place of work and who may be affected by the employee's act or omissions at work.

35.21 A Contractor employee must, while at work, cooperate with his or her employer or other persons so far as is necessary to enable compliance with any requirement under the act or the regulations that is imposed in the interest of health, safety and welfare of the employee or any other person.

35.22 Contractor's arrangements for health and safety arrangement shall be consistent with those for the mine owner.

35.23 In case Contractor is found non-compliant of HSE laws as required Company will have the right for directing the contractor to take action to comply with the requirements, and for further non-compliance, the contractor will be penalized prevailing relevant Acts / Rules / Regulations.

35.24 When there is a significant risk to health, environment or safety of a person or place arising because of a non-compliance of HSE Measures Company will have the right to direct the contractor to cease work until the non-compliance is corrected.

35.25 The contractor should prevent the frequent change of his contractual employees as far as practicable.

35.26 The contractor should frame a mutually agreed bridging document between OIL & the contractor with roles and responsibilities clearly defined.

35.27 For any HSE matters not specified in the contract document, the contractor will abide the relevant and prevailing Acts / rules / regulations pertaining to Health, Safety and Environment.

36.0 DAMAGE OR LOSS OF EQUIPMENT:

The Contractor shall at all times be solely responsible for any damage to or loss or destruction of the equipment and its other property irrespective of how such loss, damage or destruction is caused, and even if caused by the negligence of the Company and/or his servants, agents, nominees, assignees, contractors and subcontractors, and the Contractor shall hold harmless and indemnify the Company from and against any expenses, loss or claim related to or resulting from such loss, damages or destruction.

If the Contractor's items are declared to be total loss and/or construed to be total loss, as determined by the applicable insurance coverage, this Contract shall terminate for the occurrence of the event causing such loss and each party shall there upon be released of all further obligations here under in respect of this Contract, except for its payment of monies then due or liabilities to be charged in respect of the Work already done under this Contract.

37.0 POLLUTION AND CONTAMINATION:

37.1 The Contractor shall be liable for all surface pollution to the extent caused by Contractor and resulting from spillage or rubbish in any form or dumping of solvents/ additive substances or pollutants which the Contractor brings to the Site for use in connection with Work to be performed under this Contract. However, in the event of such dumping or spillage or discharge by Contractor, Contractor shall immediately assume all responsibility at their cost for the removal of items, substances or rubbish so dumped or discharged and for any resulting pollution or contamination in any form, at the well Site and the surrounding area.

37.2 Pursuant to Clause 37.1 above, the 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 Gross Negligence.

37.3 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; and/ or
- b) Damage to or loss of any well; and/ or
- c) Any other subsurface damage or loss; and/ or
- 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.

37.4 In the event, a third party commits an act or omission which results in pollution or contamination for which either the Contractor or Company, for whom such party is performing work, is held to be legally liable the responsibility therefore shall be considered as between the Contractor and Company, to be the same as if the party for whom the work was performed and all of the obligations respecting defiance indemnity, holding harmless and limitations of responsibility and liability, shall be specifically applied.

38.0 LOSS OF HOLE OR BLOWOUT OR CRATER: The Company shall be responsible for and shall defend and indemnify and hold harmless Contractor and its subcontractor against all

loss of or damage to the hole, the well or casing therein, or for the cost of regaining control of a wild well, and re-drilling, and in the event of well blows out, for loss, damage, personal injury or death arising on the surface as a result of such subsurface occurrence, including damage to any drilling rig, platform or the structure at or around the well-site, and for removal of debris, pollution or contamination including costs of cleaning up and disposal regardless of cause.

39.0 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 the Company to execute any right of termination shall not act as a waiver or amendment of any right of the Company provided herein.

END OF SECTION - I

SECTION - II

SCOPE OF WORK/TERMS OF REFERENCE/TECHNICAL SPECIFICATION

Vertical flare stack for HPHT wells.

1.0 INTRODUCTION

Oil India Ltd. is planning to drill & test HPHT exploratory wells in an on land exploration block named KG-ONN-2004/1, situated in East Godavari District of Andhra Pradesh. The wells are targeted to explore the lower cretaceous tight gas reservoirs present between 4500 to 6000 m TVD or deeper.

These exploratory wells are expected to be critical with regards to pressure, temperature and corrosive conditions. Each DST / Well Test will be approximately **15 days in duration** which includes the shut in periods, and each well is anticipated to have 3 DSTs.

Presence of corrosive hydrocarbon gas / fluids at high temperature with water and condensate is anticipated which requires appropriate planning for Surface Well Test Equipment, wherein proper separation and disposal / storage of hydrocarbons and produced water is critical. Risks of hydrate formation at surface will be mitigated by methanol injection at upstream of choke manifold. No downhole samples are planned during DSTs, only surface samples at upstream of choke manifold and at separator are currently planned.

During the process of Well Testing, produced fluid from the well consisting of oil / condensate, gas & water will be separated with help of a Three phase Separator. Oil/condensate and water from the separator will be mostly collected in Storage Tanks and gas will be flared along with any remaining entrapped oil/condensate & moisture. Flaring of gas from HPHT wells is a critical job due to the High Pressure of the gas containing H₂S and CO₂ being flared which will generate high noise and heat radiation levels associated with flaring. Hence, it is absolutely essential to reduce noise pollution and heat radiation level associated with flaring for the common good of public nearby and passing nearby. One such way is to erect silenced elevated flare stack system which will serve both the purposes and ensure safe disposal of produced gases / hydrocarbons during the well testing operations in onshore area.

2.0 SCOPE OF WORK

The scope of work include supply of flare stack complete unit on hiring basis as well as the provision of personnel for operation and maintenance of the equipment throughout the duration of the contract for safe disposal of produced gases and associated fluids through flaring and/or knockout during well testing operations as described above on onshore wellsite areas.

Scope of works includes:

- Design, engineering and project management for silenced flare stack.
- Manufacturing and modifications as required for safe operations.
- Mobilization to wellsite.
- Mechanical installation and E&I hook-up.

- Pre-commissioning and commissioning.
- Operation and maintenance during well testing operations.
- Demobilization at end of contract term.

3.0 **MOBILISATION TIME**

The mobilization of Equipment & Tools, accessories, consumables and personnel, as specified in this Contract, should be completed by Contractor within the time period as specified below. Mobilization shall be deemed to be completed when Contractor's item and Personnel are placed at the nominated location in readiness to commence Work and duly certified by the Company's representative.

Particulars	Mobilization Time
Mobilization of Silenced Flare Stack Package including all tools, accessories, consumables etc.	Within 60 days of Mobilization notice issued by the Company
Mobilization of Contractor's Personnel	Within 5 days of Mobilization notice issued by the Company
Interim Mobilization of Silenced Flare Stack Package including all tools, accessories, consumables etc.	Within 15 days of Mobilization notice issued by the Company

4.0 **BROAD SPECIFICATION**

- Elevated Flare for warm wet flaring at atmospheric pressure.
- Modular design to safely flare / dispose gas flow rates up to 20 MMscfd with carryover CGR (Condensate Gas Ratio) of 5 to 30 bbl/MMscf.
- Flare system capable of easy installation and dismantling and transportation using standard equipment / trailers.
- Combustion of relief gases at elevation to minimize radiation exposure to personnel/equipment/structure
- Ensure adequate dispersion of un-burnt hydrocarbons and toxic (primarily H₂S) components.
- Radiation: Limit radiation as per API521, either continuous and peak, on off-site properties and persons, equipment, and personnel on the installation and impacted surrounding area or vegetation and population.
- **Noise:** Limit both continuous and peak noise to 70 dBA at 213 ft (65 m) from flare at ground level at maximum flow rate.
- Stack height should be between 18 metres to 25 metres also based on permissible radiation level or as per HSE philosophy. (As a guideline flares should be located to limit the maximum ground level heat density to 500 Btu/hr/ft² (1.6 kW/m²) at any property line)
- Flare structure to be self-supported flare stack or guy wired supported flare stack.

- Suitable High Energy Ignition not requiring propagation of a flame front.
- Representative gas composition (w/w %) for flare stack: C1 upto 95%, C2 upto 10%, C3 upto 5%, iC4+ upto 5%, **CO2 upto 20%**, N2 upto 5%, **H2S may exist upto 120 ppm**. However, gas composition may vary from one well to the other.

5.1 FLARE STACK REQUIREMENTS

- The flare stack should consist of 3 main sections.
- The bottom section, which consists of the frame, knock-out pot to prevent liquids from being flared with the gas, dampener and separator, to remove any carryover liquid particles before flaring to reduce emissions.
- The middle section, which is the bottom part of the exhaust pipe.
- The top section, which is the top part of the exhaust pipe.
- The sections are manufactured in a way that they can be transported separately on a truck. The skid mounted flare stack will have to be loaded and unloaded from truck for moving purpose from one drill site area to another drill site area. The flare stack should have provisions to place it in position at a point on flat surface where it is needed. The flare structure should be self-supported flare stack or guy rope supported flare stack, and in such a way that the flare stack should be placed in right position. The flare system should have working platform & stairs & ladders wherever necessary for safe operations, monitoring, maintenance & repair works. The hoses, gas pipes and connections associated with ignition system should be fully secured & safe to use for intended flaring job.
- Rolled steel burner shroud
- Main flare line nominal diameter as per API 521 suitable for specified flow rates.
- Automatic dual ignition system with remote ignition facility.
- Piping shall be designed and built as per 100% radiography on piping. 100% magnetic particle inspection of fillet welds. Non-destructive testing (100%) for Butt welds.
- Design wind speed suitable for the tropical weather conditions in the East Godavari/West Godavari/ Krishna districts of Andhra Pradesh state.
- Fabrication of flare stack should be performed in compliance with the International code / Oil Industry Standards / API Specifications.
- Static stress calculation of flare stack and lifting pad eyes are verified by reputed Third Party Inspector like M/s DNV or M/s LLOYDS or M/s TUBOSCOPE VETCO or M/s Bureau Veritas or M/s RITES or M/s IRS.
- Third party certified load testing.

- NDT inspection and certification documents must be provided for all critical equipments like Scrubber vessels, relief valves, piping, burner system, load bearing equipment etc. Certified guy ropes for the stack stability.
- All certificates should be stamped by reputed Third Party Inspector like M/s DNV or M/s LLOYDS or M/s TUBOSCOPE VETCO or M/s Bureau Veritas or M/s RITES or M/s IRS complete with QA/QC and designed / residual life documentation.
- Name plate for flare stack with manufacturer details & flare stack specifications
- Radiant heat levels & noise levels in the flare stack design as outlined in API 521
- Transport dimensions: The flare stack components should be suitable for inter location movement in trucks capacity 9 T normal moving dimensions Length 5.9M width 2.1M height 2.5M (or) High bed trailers capacity 20T normal moving dimensions Length 12.5M width 2.5M height 2.35M
- Flare stack design temperature suitable for **0 to 200 DegF** (Flowing Gas Temperature).
- All metallic components wetted, or potentially wetted, by well fluids shall conform to the requirements of NACE MR01075, latest edition, for direct exposure to CO₂ & H₂S environments at all temperatures. Where this is not so, then an explanation should be given detailing the operability of such equipment in a sour environment.
- All elastomeric components normally wetted by produced fluids shall be suitable for exposure to properly inhibited dilute inorganic and organic acids, H₂S & CO₂.
- All equipment's shall meet the provisions of safety & statutory regulations and notifications issued from time to time by statutory agencies. Equipment's should have necessary valid permits, approvals & licenses for use in the intended area of operation.
- Along with the flare stack there should be suitable instruments to measure noise level and heat radiation during flaring to determine that they are within satisfactory levels as outlined in API 521.
- Specifications and operation of all equipment items should be fully described, individually. The contractor shall also hold detailed technical drawings for all equipment.
- Before any equipment is supplied at the well site it must have valid third party certification, acceptable to the Company, and verified by OIL approved Third Party Inspector like M/s DNV or M/s LLOYDS or M/s TUBOSCOPE VETCO or M/s Bureau Veritas or M/s RITES or M/s IRS.
- Contractor will hold documentation sufficient to confirm suitability of equipment to meet the above requirements.

5.2 SPECIAL NOTES

- a) Supply of Tool/ Equipment/ Manpower/ Consumables required for ensuring trouble free efficient operation for the assigned services is the sole responsibility of the

Contractor. The contractor shall keep sufficient back up tools and equipment spares, elastomers, redress kits, etc. in order to ensure uninterrupted services.

- b) The Contractor shall make themselves available for a joint discussion to formulate Pre Job planning after the award of Contract and prior to mobilization without any extra charge to the Company.
- c) Contractor shall maintain adequate space and utilities at their appointed base for storage & service of their equipment / tools etc. and workshop needs. All costs associated with establishing and running such facility will be to the Contractor's account.

5.3 REFERENCE STANDARDS

The total design and service shall be governed by the following reference standards wherever applicable –

API Spec 5CT	Specifications for tubulars and threads
API Spec 6A	Specifications for valves and wellhead equipment
API Spec RP 17B	Recommended practice for flexible pipes
API RP 44	Recommended practice for sampling petroleum reservoir fluids.
API RP 520	Recommended practice for sizing, selection and installation of pressure relieving devices.
API RP 521	Recommended practice for pressure relieving and depressuring systems
ASME-Section-VIII Divn. I and II	Rules for construction of pressure vessels
ANSI/ASME B 31.3	Chemical plant and petroleum refinery piping.
API RP 54	Recommended practice for Safety and health for oil & gas well drilling and servicing operation.
IRP-4	Industry Recommended Practices – Volume 4 (2012) for Well Testing and Fluid Handling.

5.4 COMPANY BATTERY LIMIT FOR FLARE STACK

Flare line 4" with Fig-602 WECO type connection or 6" with Fig-206 WECO type connection.

6.0 BIDDER SHOULD PROVIDE THE FOLLOWING IN THE TECHNICAL BID

- Supply technical specifications of all tendered equipment. General arrangement drawing of the flare stack.

- Specifications and operation of all individual equipment items should be fully described, individually for each items.
- Detailed technical drawings for all equipment proposed to be supplied.
- Floor area required for the flare stack (Length x breadth),
- Weight of the flare stack unit,
- Civil works required by Company such as site preparation, equipment foundation, underground earthings, underground works & additional civil work such as open drainage, rain water run-off facility etc.
- Detail of how proposed flare stack would be shipped to the rig and the load out documentation.
- Proposed Operation Crew details with their respective Qualification.

7.0 AGE OF EQUIPMENT

All major equipment offered for this service package i.e. Elevated Flare Stack, Hydraulic Systems, Burner, Ignitor and Fluid Trapping Systems shall not be more than 7 (seven) years old (i.e. manufactured not before 7 (seven) years from the original bid closing date).

The data gathering, acquisition tools namely the pressure and temperature, flow rate gauge must comply with required specification and should not be more than 3 years old.

All credentials like manufacturing documents, certificates, linking serial Nos. embossed on the equipment's offered with detailed specifications must be submitted before mobilizing the equipment's and also at the time of on-hire survey.

8.0. EQUIPMENT / SITE FACILITIES RESPONSIBILITY MATRIX

S 1	DESCRIPTION	RESPONSIBILITY		AT THE COST OF	
		Contractor	Company	Contractor	Company
1	Flare stack complete unit	Yes		yes	
2	Flare ignition system including gas pipes, hoses cables and connectors	Yes		yes	
3	Flare stack working platform, stairs, ladders	Yes		yes	
4	Lifting slings	Yes		yes	
5	Guy ropes	Yes		yes	
6	Guy rope tensioners	Yes		yes	
7	Guy rope concrete plates for hook up	Yes		yes	
8	Studs & bolts	Yes		yes	
9	Gasket	Yes		yes	
10	Fabrication works, fabrication shop equipment	Yes		yes	
11	Transportation of contractor material from contractor base to Rig / well site within KG BASIN	Yes		yes	
12	Transportation of contractor	Yes		yes	

	material from Rig / well site within KG BASIN back to Contractors base.				
13	Transportation of contractor materials for inter location movement i.e from one well site to other well site.	Yes		yes	
14	Optional items if any as brought out by bidder in tender	Yes		yes	
15	Propane / LPG/Purge gas	Yes		yes	
16	Interconnecting piping with flare stack as per company battery limit ends	Yes		yes	
17	Instruments to measure noise level and heat radiation during flaring to determine they are within satisfactory levels as outlined in API521	Yes		yes	
18	Interconnecting cabling and cable tray with flare stack	Yes		yes	
19	Electric power supply 230V or 400V, water, pressure test water, open drainage, rain water run-off facility		Yes		yes
20	Fuels & lubricants	Yes		yes	
21	Crane 20T capacity & crane operator on call basis		Yes		yes
22	Welder & welding machine for final pipe tie in		Yes		yes
23	Site preparation & equipment foundation & underground earthings & underground works & additional civil work		Yes		yes
24	Vessel rehabilitation following completion of work at drill site	Yes		yes	
25	Firefighting systems		Yes		yes
26	Site waste disposal		Yes		yes
27	Produced water disposal		Yes		yes
28	Site security		Yes		yes
29	Temporary storage space at site.		Yes		yes
30	Work permit at site		Yes		yes

9.0 **CONTRACTUAL OPERATION CREW**

9.1 **PERSONNEL:**

The contractor should supply the O&M crew to operate the flare system having minimum experience as outlined in Appendix-1. The crew should be trained in MVT. Periodic Medical Examination (PME) as per Mines Rule must be complied for crew members by contractor.

- a) The Contractor shall provide competent personnel on Call-out basis round the clock as per BEC/BRC criteria covered in Part 2 of the tender having requisite experiences & qualifications detailed in Appendix-1. OIL reserves the right to decide for

engagement of these personnel on the basis of verification of relevant documents prior to engagement.

- b) The Contractor shall furnish along with their bid the detailed bio-data and supporting documents regarding academic qualification and experience of all the crew members to be deployed under the Contract as per Appendix-1.
- c) Personnel deployed should be conversant with relevant safety practices.
- d) Personnel should have good working knowledge in English.
- e) If the Contractor is unable to provide the personnel initially identified in their offer and seek for deployment of alternate personnel having requisite qualification and experience set forth in the Contract, the Contractor may do so by taking prior approval from OIL.
- f) The Contractor Supervisors shall head the team of Contractor's crew and shall carry out all the jobs in consultation with Company's representative. She/he shall report to the office of the Company's representative (at site) regularly and also as and when called for receiving instruction / resolving any issue on contractual obligations. He/She must be available at call.
- g) The Contractor may replace their personnel during their due off/ leave provided equivalent category of personnel is deployed and subject to approval from Company on their credentials.
- h) The Contractor shall ensure that all the personnel shall have a full medical examination in accordance with accepted medical standard prior to engagement.
- i) Company reserves the right to disqualify a person in case of indiscipline, unfit due to medical reason, incompetence etc. to work under the Contract.
- j) Contractor may deploy additional personnel if required by taking prior approval from the Company. Such additional personnel shall be provided by the Contractor at their own cost.

9.2 SAFETY, HEALTH AND ENVIRONMENT

Contractor shall comply with applicable environmental laws, statutory regulations and guidelines as applicable to Oil Mines in India (Ref: Oil Mines Regulation Act, OISD etc). The Contractor is required to provide all its personnel with Personal Protective Equipment as per international oil & gas industry practice, which may include, as appropriate, but without limitation the following:

- i. Safety Helmet
- ii. Cotton fire proof overalls
- iii. Safety Footwear
- iv. Safety Goggles
- v. Other PPE, including gloves, safety goggles/visor, hearing protection, safety belts etc.

10.0 KNOWLEDGE OF SITE CONDITION

Joint site inspection will be conducted by representatives from Company and Contractor prior to start of job.

11.0 OTHER TERMS & CONDITIONS:

- The Contractor shall agree to maintain the equipment in good operational condition throughout the contract period. The Contractor shall provide and maintain sufficient quantities of spare parts, tools, consumables etc. that are necessary for maintenance and operation of the equipment at no extra cost to Company.
- The Contractor must provide Flare stack system & Services confirming to good oil field practices comparable to international standards.
- The Contractor shall supply any additional item as indicated as optional requirement at agreed rates, terms and conditions during the contract period.
- The Contractor shall ensure that the **Flare Stack System** quoted is complete in all respect to carry out the operations specified in Contract documents. The Contractor shall also quote for any additional item which is not listed in the Contract document but is essential for operation.
- Charges for the equipment and services being hired are payable as Mobilization cost, Demobilization cost, Interim Mobilisation Cost, Interim De-Mobilisation Cost, Monthly Rental and Operating cost. Operating charges for FLARE STACK equipment shall be applicable from the time of start of 1st Clean-up Flow, until the end of Final Flow Period / Start of final downhole shut-in build-up.
- Monthly Rental shall not be payable during Interim Demobilization Period till the unit/package is deployed for testing operation at the next well site.

APPENDIX-1 (PERSONNEL)

The Contractor shall provide competent personnel on Call-out basis with requisite experiences & qualifications as detailed below on round the clock basis. OIL reserves the right to decide for engagement of these personnel on the basis of verification of relevant documents prior to mobilization.

1.0 The key operating personnel for offered services should have experience in Onshore Production testing operations in Sour well "OR" Operation of Onshore Flare Stack in Sour well. Bidder should submit bio-data of the proposed personnel(s).

2.0 The Supervisor/Site-Incharge must have minimum of following qualifications / experience-

- a) Supervisor must have prior Well test experience with at least 2 wells that involved at least one flowing sour well fluids (with H₂S and CO₂) to surface.
- b) Supervisors must be minimum Diploma in Engineering or equivalent.
- c) Must have Industry Standard Safety & Operational trainings for discharging their duties safely and professionally.

END OF SECTION II

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 and all "DAY RATE" charges shall be payable on pro-rata basis.

A. MOBILIZATION CHARGES TO FIRST WELL (CONTRACTOR'S TOOLS / EQUIPMENT WITH ALL ACCESSORIES)

i) **Mobilization Charges** shall be a lump sum amount inclusive of transportation and other costs for all tools/equipment and spares/consumables/accessories to the designated location and shall be paid once.

ii) **Mobilization Charges** should cover all local and foreign costs of the Bidder to mobilize the equipment to the appointed site (first Well location/plinth) including all local taxes, port fees, inland transport etc., but excluding Customs duty (which will be to Company's account, if applicable) on the items declared in Proforma A.

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.

iii) There shall be no part payment or pro rata payment for any equipment.

iv) **Mobilization Charges** quoted should not exceed 7.5% of the total Contract value.

v) **Contractor shall ensure the arrival of all equipment in good condition:**

- a) Where appropriate all equipment and materials must be delivered on/in suitable skids, tool racks, baskets, containers, pallets, etc as the case may be.
- b) Dangerous goods and explosives must be suitably packaged, labeled and otherwise marked according to all regulations and MSDS sheets should accompany the package.
- c) Appropriate packaging must be utilized for all deliveries.
- d) If appropriate, material must be suitably coated with a corrosion prevention material and be packed with a dehumidifier, both of which must be suitable for storage at ambient temperatures of 40°C.
- e) Contractor shall supply appropriate lifting gear for all equipment; current load test certificates for all slings, rigging and lifting gear will be required.

Company reserves the right to allow operations to start without complete mobilization, provided it is possible to start work with the items mobilized. However, the shortfall items must be mobilized by the Contractor immediately thereafter. If the Company permits the Contractor to start Operations without completing mobilization, only 80% of Mobilization charges will become payable to the Contractor and the remaining 20% of mobilization charges will be paid only after the shortfall items are made available. The Liquidated Damages as set out in the Contract shall be applicable upto the date the shortfall items are made available. However, notwithstanding this provision for partial mobilization, the Contractor must make all effort for mobilization of Contractor's items as per the contractual provisions.

**B. DE-MOBILIZATION CHARGES FROM LAST WELL
(CONTRACTOR'S TOOLS / EQUIPMENT WITH ALL ACCESSORIES)**

- 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 to Contractor by the Company only once after completion of Company's activity in last well test location against 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 last Well location/plinth to Contractor's base.
- iii) All the charges, whatsoever, on Tools/Equipment/Spare/Accessories etc. shall cease to exist with effect from the day, the Contractor is issued demobilization notice by Company.
- iv) 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.
- v) Pursuant to Clause of 'General Conditions of Contract', Demobilization charges shall be paid to the Contractor for complete package of Tools/ Equipment/ Spare/ Accessories etc. only once, after completion of the contractual period/ termination of the Contract.
- vi) **Demobilization Charges** quoted should not exceed 7.5% of the total Contract value.
- vii) The Contractor is required to clear off the Site within 30 (thirty) days and complete Demobilization within 60 (sixty) days from the date of "Demobilization Notice" served by the Company. Penalty will be imposed "@10% per day" of Demobilization Charges for every additional day consumed by Contractor beyond stipulated period.

**C. INTERIM DE-MOBILISATION / INTERIM RE-MOBILISATION
CHARGES
(CONTRACTOR'S TOOLS / EQUIPMENT WITH ACCESSORIES)**

- i) The Interim Demobilisation Charges shall be payable on lump sum basis which includes all the charges towards Inter-location movement of Contractor's all equipment/tools from one well site to another well site OR from one well site to Contractor's base upon completion of the assigned job.

ii) Interim Re-mobilisation charges shall be payable on lump sum basis which includes all the charges towards re-mobilization of the Contractor's all equipment/tools to designated well from its Base.

iii) No Monthly rental charges will be applicable during the period when the Tools/Equipment/Spare/Accessories etc. are demobilized from the last well site till the time the Tools/Equipment/Spare/Accessories etc. are re-mobilized at the next designated well location and the package is re-installed, re-commissioned and made operational to carry out activity assigned by the Company at well site as per operational requirement.

iv) In case of Inter-location movement the contractor has to complete Dismantling of Contractor's facility in one well, Re-Installation and Re-Commissioning of same in next well **within 15 days**. This is applicable when the contractor Tools/Equipment is not given Interim De-mobilization notice and Tools/Equipment's are relocated from one well site/plinth to next designated well site/plinth. In such instance either of Interim De-mobilisation or Re-mobilisation charge is payable depending on whichever is higher.

v) In case of Interim De-mobilization of Contractor Tools/Equipment from Well site to Contractor Base, the same has to be completed within **15 days** from the issue of De-mobilization notice. Only Interim De-mobilisation charge is payable in such instance.

vi) In case of Re-mobilization of Contractor Tools/Equipment from its base to designated Well site, the same has to be completed within **15 days** from the issue of re-mobilization notice. Only Interim Re-mobilisation charge is payable in such instance.

vii) Contractor will be solely responsible for executing Inter-Location Movement /Interim De-Mobilization /Re-mobilization that covers shifting of all tools / equipment / consumables / Accessories. Company shall provide the crane at Well site/plinth only. Supervision, safety of the tools/ equipment/ consumables/ accessories during loading, transportation & unloading will be responsibility of the Contractor

D. OPERATING DAY RATE CHARGES [ODR]
(TOOLS / EQUIPMENT/ CONSUMABLES WITH ALL ACCESSORIES)

i) The ODR for "Silenced Flare Stack" shall be payable from the time of start of 1st Clean-up Flow, until the end of Final Flow Period / Start of final downhole shut-in/ build-up.

ii) The **ODR** will be considered on day rate basis for a day of 24 hrs. for any time in part thereof, the charges shall be computed on pro-rata basis.

iii) If the Contractor's tool/equipment fails to perform, for any reason in the duration of operation, then no **ODR** shall become payable for the entire unit of

the service package until the equipment/tool is put back in to operating condition or evidence by demonstration of operation in actual tests or use to the satisfaction of Company.

E. MONTHLY RENTAL CHARGES [MRC]
(TOOLS/EQUIPMENT/CONSUMABLES WITH ALL ACCESSORIES)

i) The **MRC** for tools & equipment shall be payable from the date the Tool / Equipment is mobilized to the Contractor's designated base or Well Site (as per the instruction of the company) till the time the Tools/Equipment is given Interim De-mobilization notice from the designated well site. The **MRC** shall be payable again when the Tools/Equipment is Re-mobilized to the next designated well site (and made ready for operation) till the time the Tools/Equipment is given Interim De-mobilisation notice or Final De-mobilisation notice from the Company's Well site as the case may be depending upon Company's requirement for the Equipments.

The **MRC** shall be applicable on a calendar month basis under the following conditions:

- a. Contractor's equipment is defect free and ready to undertake operation at all times during the Contract Period.
- b. The **MRC** shall also be applicable against temporary halt of operation due to repair/shut down of the tools and equipment. However, if the particular equipment / tool is not brought into operation within two (2) hours of shut down, it will be treated as **Zero Rate**.
- c. Job is completed but the notice of Demobilization is not issued.

ii) The **MRC** will be considered on monthly rental basis for a month of 30 days. For any time in part thereof, the charges shall be computed on pro-rata basis. This will be applicable in the month of mobilization and demobilization and accordingly the monthly rental will be calculated on actual day basis.

iii) No **MRC** is payable from the time the Interim-Demobilisation notice is served till the time the Tools/Equipment is re-mobilised to the next designated well site and made ready for operation.

iv) No **MRC** is payable during Interlocation Movement when the contractor Tools /Equipment is mobilised from one well site/plinth to next well site/plinth.

v) All other necessary equipment, tools and accessories etc. shall be provided by the Contractor for due performance of the intended services without any additional rental charges to Company.

F. MOBILISATION CHARGES OF PERSONNEL TO WELL SITE ON CALL OUT

i) The competent personnel to carry out assigned activity shall be mobilized by Contractor on "Call out" basis. The "Call-out" notice to Contractor will be issued by Company on each assignment at least 5 days in advance.

ii) **Mobilization Charges of Personnel/Operating Crew** as Lump Sum shall be payable to the Contractor after the completion of Mobilization of Personnel/Operating crew. The Contractor shall mobilize the personnel on receipt of Call Out notice from the Company.

iii) **Mobilization Charges** shall cover all costs of Contractor including but not limited to travel expenses, in-transit accommodation charges, personal insurance etc. for Contractor's Personnel to reach the Company's designated Site on receipt of the mobilization notice from Company.

G. DEMOBILIZATION CHARGES OF PERSONNEL FROM WELL SITE ON CALL- OUT

i) **Demobilization Charges of personnel/Operating Crew** shall be payable to the Contractor as Lump Sum after the departure of Contractor's personnel/Operating Crew from any well Site on receipt of demobilization notice from Company Representative.

NOTE: The Company retains the right to "mobilize & demobilize" Contractor's personnel "to and from" any Well location/plinth depending upon operational requirement. Also the Company retains right to remobilize the personnel to any Well location/plinth at any time during the course of the Contract depending upon operational requirement. Thus Contractor is required to fulfill their obligation on Mobilization/ Demobilization of personnel upon receipt of appropriate notice from the Company.

H. OPERATING DAY RATE CHARGES FOR PERSONNEL (ODRP)

i) The **ODRP** shall be payable for personnel for the period when the Tools / equipment are in Operation.

ii) The **ODRP** will be considered on day rate basis for a day of 24 hours. For any time in part thereof, the charges shall be computed on pro-rata basis.

iii) The **ODRP** shall not be payable if the Contractor's tool/equipment fails to perform, for any reason in the duration of operation until the equipment/tool is put back in to operating condition.

There will be no other charge payable to the Contractor "Job-Wise" or "Job-Nature" wise.

I. STANDBY DAY RATE CHARGES FOR PERSONNEL [SDRP]

- i) **SDRP** for Contractor's personnel shall be payable for the period, the Contractor completes Mobilization of Contractor's personnel at the designated Location till the Demobilization notice to Contractor's Personnel is served by Company Representative.
- ii) **SDRP** caters to idle time against temporary halt due to operational reasons.
- iii) **SDRP** shall cease with effect from the day, the Company serves "demobilization notice" to the Contractor's Personnel.
- iv) **SDRP** will be payable per 24 hours a day (pro-rata basis for part thereof up to the completed full hours only) and will be applicable against temporary halt of operations due to repair/ shut down of tools/ Equipment etc.
- v) No **SDRP** will be payable when the person is entitled for **ODRP**.
- iv) **SDRP** shall **not** be payable for the period when the Contractor's equipment remains in-operative or non-functional to carry out assigned jobs, i.e. during **Zero Rate**.

J. ZERO RATE

Notwithstanding any provision in this 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.

K. DAY RATE FOR TOOLS / EQUIPMENT / PERSONNEL DURING FORCE MAJEURE

- i) All rates quoted by Contractor 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 15 days period of Force Majeure in case of all operations. No payment shall accrue to the Contractor beyond the first 15 days period unless mutually agreed upon.

L. 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 the same 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, enclosed.

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 outside 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).

END OF SECTION III

END OF PART-3

Annexure-I

INTEGRITY PACT

Between

Oil India Limited (OIL) hereinafter referred to as “The Principal”

And

----- hereinafter referred to as “The Bidder/Contractor”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for services under IFB No.CEG3673P17. The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder/s and Contractor/s.

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organisation “Transparency International” (TI). Following TI’s national and international experience, the Principal will appoint an external independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
 2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 3. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder/Contractor

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

1. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

The Bidder/Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

2. The Bidder/Contractor will not commit any offence under the relevant Anticorruption Laws of India; further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 3. The Bidder/Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder/Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts

1. If the Bidder, before contract award has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.
2. If the Bidder/Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder/Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressions within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
3. The Bidder accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts

and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

4. If the Bidder/Contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.
5. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 – Compensation for Damages

1. If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to 3 % of the value of the offer or the amount equivalent to Earnest Money Deposit/Bid Security, whichever is higher.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.
3. The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder/Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount or the liquidated damages, the Bidder/Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 – Previous transgression

1. The Bidder declares that no previous transgression occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6 – Equal treatment of all Bidders/Contractor/Sub-Contractors

1. The Bidder/Contractor undertakes to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Sub-Contractors.

3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

**Section 7 – Criminal charges against violating
Bidders/Contractors/Subcontractors**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Sub-Contractor, or of an employee or a representative or an associate of a Bidder, Contractor or Sub-Contractor, which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

**Section 8 – External Independent Monitor/Monitors
(three in number depending on the size of the contract)
(to be decided by the Chairperson of the Principal)**

1. The Principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.
3. The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Sub-Contractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder/ Contractor/ Sub-Contractor with confidentiality.
4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance

Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

8. The word 'Monitor' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/ lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/ determined by Chairperson of the Principal.

Section 10 – Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor is a partnership or a consortium, this agreement must be, signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

A.BARUAH
for the Principal
Place KAKINADA
Date 31.01.2017

for the Bidder/Contractor
Witness 1 :
Witness 2 :

=====

Annexure II**Bio-Data and Experience of Personnel****A. Format for Supervisor**

Name:

Educational Qualification:

Certifications :

Year	From Date	To Date	Name of Organization	Client/ Project	No. of days worked	Minimum 1 Sour well experience in Well testing.	Worked as

B. Format for Other personnel

- 1 CATEGORY OF JOB / POST :
- 2 NAME OF INCUMBENT :
- 3 PRESENT ADDRESS :
- 4 HOME ADDRESS :
- 5 NATIONALITY :
- 6 DATE OF BIRTH :
- 7 ACADEMIC QUALIFICATION :
- 8 TECHNICAL QUALIFICATION :
- 9 TOTAL EXPERIENCE IN THE RELATED FIELDS (IN YEARS) :
- 10 JOB EXPERIENCE RESUME :

SL NO	WORK EXPERIENCE		TYPES OF JOB CARRIED OUT	NAME OF COMPANY	PLACE OF WORK
	FROM	TO			

NOTE: TO ATTACH ALL SUPPLEMENTARY DOCUMENTS.

Name of the authorised signatory:**Name of the firm/service provider/bidder:**

ANNEXURE-III

PROFORMA UNDERTAKING FROM CONTRACTOR'S PERSONNEL

I _____ S/o _____ having permanent residence at _____ Dist. _____ am working with M/s. _____ as their employee. Now, I have been transferred by M/s. _____ for carrying out the contract job under Contract No. _____ which has been awarded in favour of my employer M/s. _____.

I hereby declare that I will not have any claim for employment or any service benefit from OIL by virtue of my deployment for carrying out contract job in OIL by M/s. _____.

I am an employee of _____ for all practical purposes and there is no privity of Contract between OIL and me.

Signature

Place:

Date:

1. NAME:
DESIGNATION:.....
DATE:.....

2. NAME:.....
DESIGNATION:.....
DATE:.....

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

Sl. No.	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	$E = C \times D$	F	$G = F + E$	H	$I = G + H$	J	K	L
1											
2											

(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 "PARTLY" 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".

(4) At the time of bid submission, bidder may mention the indicative value as above. However, the detailed List of Items as per Proforma A shall be submitted by the successful bidder after the shipment of items."

Authorized Person's Signature: _____

Name: _____

Seal of the Bidder:

PROFORMA-B**PRICE BID FORMAT**

SI	Description	UNIT	Quantity	Unit Rate	Total Amount =Quantity x Unit Rate
1	Mobilisation Charge for Silenced Flare stack package with all accessories and consumables.	Lumpsum	1		
2	De-Mobilisation charge for Silenced Flare stack package with all accessories and consumables.	Lumpsum	1		
3	Interim Demob for Silenced Flare stack package with all accessories and consumables.	Lumpsum	3		
4	Interim Mob for Silenced Flare stack package with all accessories and consumables.	Lumpsum	3		
5	Operating Day Rate Charge for the Package.	Per day	90		
6	Monthly Rental for the Package.	Per month	6		
	MANPOWER CHARGES				
7	Mobilisation cost of Operating crew	Lumpsum	2		
8	De-mobilisation cost of Operating crew.	Lumpsum	2		
9	Operating Day Rate Charge for the operating crew.	Per day	90		
10	Stand by Day rate charge for the operating crew.	Per day	30		
Total estimated Contract Cost inclusive of all taxes and duties, but excluding Service Tax which will be borne by Company as applicable = Sum of Total Amounts under Sl. 1 to 10					

Currency of quoted rates: _____

Name of the Authorized Signatory: _____

Name of the Bidder: _____

PROFORMA-C

BID FORM

To:
EXECUTIVE DIRECTOR (KGB & BEP)
OIL INDIA LIMITED,
D.No.11-4-7; 3RD FLOOR
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, 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/months calculated from the date of issue of Letter of Award (LOA).

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

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

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

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

Dated this _____ day of _____ 20...

Name of the Authorized Signatory: _____
Name of the Firm/Service Provider/Bidder: _____

PROFORMA - D

CERTIFICATE OF COMPLIANCE WITH RESPECT TO BRC

We _____(Name of the bidder) hereby confirm that all the conditions given in the Bid Rejection Criteria(BRC) of the Bid document of Tender No. ----- are acceptable to us and we have not made any deviations from the same or put forward any additional condition in our offer in this respect. It is also confirmed that the supporting documents with regard to Eligibility Criteria of the bidder, laid down in the Bid Document are duly submitted in the Techno-commercial Bid.

Name of the Authorized Signatory: _____

Name of the Firm/Service Provider/Bidder: _____

To be digitally signed by Bidder's Authorized signatory

PROFORMA-E**STATEMENT OF NON-COMPLIANCE (excepting BRC)
(Only exceptions/deviations to be rendered)**

1.0 The Bidder shall furnish detailed statement of **exceptions/deviations excepting BRC**, if any, to the tender stipulations, terms and conditions in respect of each Section of Bid Document in the following format:

Section No.	Clause No. (Page No.)	Non-Compliance	Remarks

2.0 In addition to the above, the Bidder shall furnish detailed information pertaining to construction, operational requirements, velocity-pattern, added technical features, if any and limitations etc. of the Inspection Tool proposed to be deployed.

Name of the Authorized Signatory: _____

Name of the Firm/Service Provider/Bidder: _____

Seal of the Bidder:

NOTE: OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, shall the bidders still envisage some exceptions/deviations to the terms and conditions of the bid document, the same shall be indicated as per above format and submit along with their bids. If the “**Statement of Non-Compliance**” in the above Proforma is left blank (or not submitted along with the Techno-commercial bid), then it would be construed that the bidder has not taken any exception/deviation to the tender requirements.

To be digitally signed by Bidder’s Authorized signatory

PROFORMA - F

FORM OF BID SECURITY (BANK GUARANTEE)

**EXECUTIVE DIRECTOR (KGB&BEP)
OIL INDIA LIMITED,
D.No.11-4-7;3rd Floor
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India**

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, Kakinada, AP, India (hereinafter called the Company)'s tender No.: _____. KNOW ALL MEN BY these presents that we (Name of Bank) _____ of (Name of Country) _____ having our registered office at _____ (hereinafter called "Bank") are bound unto the Company in the sum of (*) for which payment well and truly to be made to Company, the Bank binds itself, its successors and assignees by these presents. SEALED with the common seal of the said Bank this _____ day of _____ 20**.

THE CONDITIONS of 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;
- (3) If the Bidder furnishes fraudulent document/information in their bid.

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 shall be irrevocable and shall remain in force up to and including the date (**) and any demand in respect thereof shall reach the Bank not later than the above date.

SIGNATURE AND SEAL OF THE GUARANTORS _____
Name of Bank & Address _____
Date: Place: _____

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

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

FORM OF PERFORMANCE BANK GUARANTEE

**EXECUTIVE DIRECTOR (KGB&BEP)
OIL INDIA LIMITED,
D.No.11-4-7; 3rd Floor
NOOKALAMMA TEMPLE STREET
RAMARAO PETA, KAKINADA-533004
Andhra Pradesh, India**

WHEREAS _____ (Name and address of Bidder) (hereinafter called "Bidder") 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 Bidder shall furnish you with a Bank Guarantee as security for compliance with Bidder's obligations in accordance with the Contract.

AND WHEREAS we (Name of Bank) _____ of (Name of Country) _____ having our registered office at _____ (hereinafter called "the Bank") have agreed to give the Bidder such a Bank Guarantee; NOW THEREFORE we hereby affirm that we are Guarantors on behalf of the Bidder, 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 Bidder before presenting us with the demand.

We also agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by the OIL in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Bidder and shall remain valid, binding and operative against the Bank.

We further agree that no change or addition to or other modification of the terms of the Contract or the work to be performed there under or of any of the Contract documents which may be made between you and the Bidder 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 3 months after Contract completion date).

SIGNATURE AND SEAL OF THE GUARANTORS _____
Designation _____
Name of Bank _____
Address _____
Date..... Place _____

PROFORMA-H**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) shall 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 and

WHEREAS, Company had issued a firm Letter of Award No. _____ dated _____ based on Offer No. _____ dated _____ submitted by the Contractor against Company's Tender No. ----- . All these aforesaid documents shall be deemed to form and be read and construed as part of this agreement/contract. However, shall there be any dispute arising out of interpretation of this contract in regard to the terms and conditions with those mentioned in Company's Bid Document and subsequent letters including the Letter of Intent 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 authorized 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 herein above, 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/Scope of work;
 - (c) Section-III indicating the Schedule of Rates;
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 ----- 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:
Status:

Name:
Status:

In presence of

In presence of

- 1.
- 2.

- 1.
- 2.

PROFORMA LETTER OF AUTHORITY

TO

**EXECUTIVE DIRECTOR (KGB&BEP)
D.No.11-4-7; 3rd Floor
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India**

Sir,

Sub: OIL's Tender No. _____

We _____ confirm that Mr. _____ (Name and address) is 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.

AUTHORISATION FOR ATTENDING BID OPENING

TO

Date: _____

**EXECUTIVE DIRECTOR (KGB&BEP)
OIL INDIA LIMITED,
D.NO.11-4-7; 3RD FLOOR
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India**

Sir,

Sub: OIL's Tender No. -----

We authorize Mr. /Mrs. _____ (Name and address) to be present at the time of opening of the above Tender due on _____ on our behalf.

Yours Faithfully,

Authorised Person's Signature: _____

Name: _____

Designation: _____

Seal of the Bidder:

Note: This letter of authority shall be on printed letter head of the Bidder and shall be signed by a person who signs the bid.

FORMAT OF AGREEMENT BETWEEN BIDDER AND THEIR PARENT COMPANY / 100% SUBSIDIARY COMPANY (As the case may be)

This agreement made this ____ day of ____ month ____ year by and between M/s. _____ (Fill in the Bidder's full name, constitution and registered office address) hereinafter referred to as bidder on the first part and M/s. _____ (Fill in full name, constitution and registered office address of Parent Company/Subsidiary Company, as the case may be) hereinafter referred to as "Parent Company/ Subsidiary Company (Delete whichever not applicable)" of the other part:

WHEREAS

M/s. Oil India Limited (hereinafter referred to as OIL) has invited offers vide their tender No. _____ for _____ and

M/s. _____ (Bidder) intends to bid against the said tender and desires to have technical support of M/s. _____ [Parent Company/ Subsidiary Company- (Delete whichever not applicable)] and whereas Parent Company/ Subsidiary Company (Delete whichever not applicable) represents that they have gone through and understood the requirements of subject tender and are capable and committed to provide the services as required by the bidder for successful execution of the contract, if awarded to the bidder.

Now, it is hereby agreed to by and between the parties as follows:

1. M/s. _____ (Bidder) will submit an offer to OIL for the full scope of work as envisaged in the tender document as a main bidder and liaise with OIL directly for any clarifications etc. in this context.
2. M/s. _____ (Parent Company/ Subsidiary Company (Delete whichever not applicable) undertakes to provide technical support and expertise, expert manpower and procurement assistance and project management to support the bidder to discharge its obligations as per the Scope of work of the tender / Contract for which offer has been made by the Parent Company/Subsidiary Company (Delete whichever not applicable) and accepted by the bidder.
3. This agreement will remain valid till validity of bidder's offer to OIL including extension if any and till satisfactory performance of the contract in the event the contract is awarded by OIL to the bidder
4. It is further agreed that for the performance of work during contract period bidder and Parent Company/Subsidiary Company (Delete whichever not applicable) shall be jointly and severally responsible to OIL for satisfactory execution of the contract.
5. However, the bidder shall have the overall responsibility of satisfactory execution of the contract awarded by OIL.

In witness whereof the parties hereto have executed this agreement on the date mentioned above.

For and on behalf of
(Bidder)

For and on behalf of
(Parent Company/Subsidiary Company
(Delete whichever not applicable))

M/s.
Witness:

1)
2)

M/s.
Witness:

1)
2)

PARENT COMPANY/ SUBSIDIARY COMPANY GUARANTEE
(Delete whichever not applicable)
(IN CASE OF INDIAN BIDDER TO BE EXECUTED ON STAMP PAPER OF REQUISITE
VALUE AND NOTORISED)

DEED OF GUARANTEE

THIS DEED OF GUARANTEE executed at this day of by M/s (mention complete name) a company duly organized and existing under the laws of (insert jurisdiction/country), having its Registered Office at hereinafter called “the Guarantor” which expression shall, unless excluded by or repugnant to the subject or context thereof, be deemed to include its successors and permitted assigns.

WHEREAS

M/s Oil India Limited, a company duly registered under the Companies Act 1956, having its Registered Office at Duliajan in the State of Assam, India, and having an office, amongst others, at Kakinada, Andhra Pradesh, India hereinafter called “OIL” which expression shall unless excluded by or repugnant to the context thereof, be deemed to include its successor and assigns, invited tender number for on

M/s (mention complete name), a company duly organized and existing under the laws of (insert jurisdiction/country), having its Registered Office at (give complete address) hereinafter called “the Company” which expression shall, unless excluded by or repugnant to the subject or context thereof, be deemed to include its successor and permitted assigns, have, in response to the above mentioned tender invited by OIL, submitted their bid number to OIL with one of the condition that the Company shall arrange a guarantee from its parent company guaranteeing due and satisfactory performance of the work covered under the said tender including any change therein as may be deemed appropriate by OIL at any stage.

The Guarantor represents that they have gone through and understood the requirement of the above said tender and are capable of and committed to provide technical and such other supports as may be required by the Company for successful execution of the same.

The Company and the Guarantor have entered into an agreement dated as per which the Guarantor shall be providing technical and such other supports as may be necessary for performance of the work relating to the said tender.

Accordingly, at the request of the Company and in consideration of and as a requirement for OIL to enter into agreement(s) with the Company, the Guarantor hereby agrees to give this guarantee and undertakes as follows:

1. The Guarantor (Parent Company / 100% Subsidiary Company (Delete whichever not applicable) unconditionally agrees that in case of non-performance by the Company of any of its obligations in any respect, the Guarantor shall, immediately on receipt of notice of demand by OIL, take up the job without any demur or

objection, in continuation and without loss of time and without any cost to OIL and duly perform the obligations of the Company to the satisfaction of OIL.

2. The Guarantor agrees that the Guarantee herein contained shall remain valid and enforceable till the satisfactory execution and completion of the work (including discharge of the warranty obligations) awarded to the Company.
3. The Guarantor shall be jointly with the Company as also severally responsible for satisfactory performance of the contract entered between the Company and OIL.
4. The liability of the Guarantor, under the Guarantee, is limited to the 50% of the annualized contract price entered between the Company and OIL. This will, however, be in addition to the forfeiture of the Performance Guarantee furnished by the Company.
5. The Guarantor represents that this Guarantee has been issued after due observance of the appropriate laws in force in India. The Guarantor hereby undertakes that the Guarantor shall obtain and maintain in full force and effect all the governmental and other approvals and consents that are necessary and do all other acts and things necessary or desirable in connection therewith or for the due performance of the Guarantor's obligations hereunder.
6. The Guarantor also agrees that this Guarantee shall be governed and construed in accordance with the laws in force in India and subject to the exclusive jurisdiction of the courts of, India.
7. The Guarantor hereby declares and represents that this Guarantee has been given without any undue influence or coercion, and that the Guarantor has fully understood the implications of the same.
8. The Guarantor represents and confirms that the Guarantor has the legal capacity, power and authority to issue this Guarantee and that giving of this Guarantee and the performance and observations of the obligations hereunder do not contravene any existing laws.

For & on behalf of
(Parent Company/Subsidiary Company (Delete whichever not applicable))

M/s _____

Witness:

1. Signature _____
 Full Name _____
 Address _____

Signature _____
Name _____
Designation _____

Common seal of the
Company_____

Witness:

2. Signature _____
 Full Name _____
 Address _____

INSTRUCTIONS FOR FURNISHING PARENT/SUBSIDIARY COMPANY GUARANTEE

1. Guarantee should be executed on stamp paper of requisite value and notarised.
2. The official(s) executing the guarantee should affix full signature (s) on each page.
3. Resolution passed by Board of Directors of the guarantor company authorizing the signatory(ies) to execute the guarantee, duly certified by the Company Secretary should be furnished alongwith the Guarantee.
4. Following certificate issued by Company Secretary of the guarantor company should also be enclosed alongwith the Guarantee.

“Obligation contained in the deed of guarantee No._____ furnished against tender No. _____ are enforceable against the guarantor company and the same do not, in any way, contravene any law of the country of which the guarantor company is the subject”

FORMAT OF AGREEMENT BETWEEN BIDDER THEIR SISTER SUBSIDIARY/CO-SUBSIDIARY COMPANY AND THE ULTIMATE PARENT/HOLDING COMPANY OF BOTH THE BIDDER AND THE SISTER SUBSIDIARY/CO-SUBSIDIARY (Strike out whichever is not applicable between Ultimate Parent and Holding Company. Similarly strike out whichever is not applicable between Sister Subsidiary and Co-subsidiary Company)

(TO BE EXECUTED ON STAMP PAPER OF REQUISITE VALUE AND NOTORISED)

This agreement made this ____ day of ____ month ____ year by and between M/s. _____ (Fill in Bidder's full name, constitution and registered office address) _____ hereinafter referred to as "Bidder" of the first part and

M/s. _____ (Fill in full name, constitution and registered office address of Sister Subsidiary/Co-subsidiary Company of the Bidder) herein after referred to as "Sister Subsidiary/ Co-subsidiary" of the second part and

M/s. _____ (Fill in the full name, constitution and registered office address of the Ultimate Parent/Holding Company's of both the subsidiaries) hereinafter referred to as "Ultimate Parent/ Holding Company" of the third part.

WHEREAS

M/s. Oil India Limited (hereinafter referred to as OIL) has invited offers vide their tender No. _____ for _____ and

M/s. _____ (Bidder) intends to bid against the said tender and desires to have a technical support of M/s. _____ (Sister Subsidiary/Co-subsidiary Company) and

Sister Subsidiary/Co-subsidiary Company represents that they have gone through and understood the requirements of subject tender and are capable and committed to provide the services as required by the bidder for successful execution of the contract, if awarded to the bidder.

Now, it is hereby agreed to by and between all the three parties as follows:

1. M/s. _____ (Bidder) will submit an offer to OIL for the full scope of work as envisaged in the tender document.
2. M/s. _____ (Sister Subsidiary/Co-subsidiary Company) undertakes to provide technical support and expertise and expert manpower, material, if any, to support the bidder to discharge its obligations as per the Scope of work of the tender / Contract for which offer has been made by the bidder.
3. This agreement will remain valid till validity of bidder's offer to OIL including extension if any and also till satisfactory performance of the contract in the event the bid is accepted and contract is awarded by OIL to the bidder.
4. Sister Subsidiary/ Co-subsidiary Company unconditionally agrees that in case of award of contract to the Bidder, if the Bidder is unable to execute the contract, they shall, immediately on receipt of notice by OIL, take up the job without any demur or objection, in continuation without loss of time and without any extra cost to OIL and duly perform the obligations of the Bidder/Contractor to the satisfaction of OIL.
5. The Ultimate Parent/Holding Company also confirms and undertakes that the commitment made by the Sister Subsidiary/ Co-subsidiary company in providing the

technical support and technical expertise and expert manpower to support the bidder for execution of the contract are honoured.

6. The Ultimate Parent/Holding Company also takes full responsibility in getting the contract executed through the Sister subsidiary/ Co-subsidiary company in case the Bidder/Contractor is unable to execute the contract.
7. In witness whereof the parties hereto have executed this agreement on the date mentioned above.

For and on behalf of
(Bidder)

M/s.
Witness

1)

2)

For and on behalf of
(Sister Subsidiary / Co-
subsidiary)

M/s.
Witness

1)

2)

For and on behalf of
(Ultimate Parent /
Holding Company)

M/s.
Witness

1)

2)

Note: In case of contracts involving - (a) manufacture/supply (b) installation and commissioning (c) servicing and maintenance of any equipment, as the bidding company can draw on the experience of their multiple subsidiary sister/Co-subsidiary company (ies) specializing in each sphere of activity, i.e. (a) manufacture/supply (b) installation and commissioning (c) servicing and maintenance, therefore, in that case, the above format shall be signed by all the sister/Co-subsidiary company(ies) and necessary modifications may be made in the above format to include all sister subsidiaries.

XXXXXXXXXXXXXX