

OIL & GAS DEVELOPMENT COMPANY LTD



TERMS OF REFERENCE

FOR

**Pre-Qualification of Contractors for Construction of
Pre-Drilling Engineering Works, Production Fields / Plants
Development Works and Civil Works for laying of Pipeline
(Composite Rate Basis) at Different Zones of
Oil & Gas Development Company Limited
Islamabad.**

INTRODUCTION

1.1 Advantages of Pre-qualification

Prequalification is an assessment made by the Employer, of the appropriate level of experience and capacity of contractors expressing interest in undertaking a particular contract, before inviting them to bid.

Prequalification of contractors is very useful for the Employer to carry out selection of contractors for award of contracts. The basic aim of the prequalification is intended to eliminate, early in procurement proceedings, contractors that are not suitably qualified to perform the Contract. Also sometimes contractors are reluctant to participate in procurement proceedings for high value Contracts, if the competitive field is too large and where they run the risk of having to compete with unrealistic bids submitted by unqualified or disreputable contractors. Furthermore, the prequalification is the basic tool to:

- (i) Encourage realistic bids by the Bidders because they know that they are competing against qualified bidders who have cleared the minimum competence criteria;
- (ii) Assess the interest of the prospective bidders in the bidding process;
- (iii) Make any adjustments/modifications in the bidding documents if a pointer is available from the lack of interest by the prospective contractors applying for prequalification;
- (iv) Reduce the effort and so the time in evaluation of bids from un-qualified bidders;
- (v) Help the bidders to evaluate and take stock of their capability and consequently to form joint ventures with other contractors;
- (vi) Reduce the problems associated with low priced bids from bidders of doubtful capability and;
- (vii) Help the bidders who are insufficiently qualified to avoid the expense of bidding.

2.0 INVITATION FOR PREQUALIFICATION

- 2.1. The Oil & Gas Development Company Limited (OGDCL) intends to prequalify contractors for construction of Pre-Drilling Engineering Works at different zones under Oil & Gas Development Company Limited (OGDCL) all over the country. This invitation for prequalification is issued to eligible contractors.
- 2.2 It is expected that Invitation to Bid for future construction of PDEWs will be issued after pre-qualification when required by OGDCL.
- 2.3 Prequalification is open to contractors / joint venture of contractors who are registered with Pakistan Engineering Council (PEC).
- 2.4 Contractors may obtain the prequalification documents from OGDCL website www.ogdcl.com under the tender bar.
- 2.5 Evaluation for prequalification of the contractors shall be done as per technical criteria given in the TOR.
- 2.6 Applications for prequalification must be delivered at the address as given in the press advertisement in sealed envelopes by hand or through registered mail not later than the date and time mentioned in the advertisement and be clearly marked “**Application for Pre-Qualification of Contractors for Construction of Pre-Drilling Engineering Works, Production Fields / Plants Development Works and Civil Works for laying of Pipeline (Composite Rate Basis) at Different Zones of Oil & Gas Development Company Limited Islamabad.**”.
- 2.7 Applicants will be informed, in due course, of the result of the evaluation of applications. Only the contractors / joint ventures pre-qualified under this process will be invited to bid.

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- 3.1 All the contractors who were pre-qualified previously for construction of Pre-drilling engineering works (PDEWs) are required to apply afresh. No renewal is admissible.
- 3.2 Pre-qualification shall remain valid for two year, however, may be extended if required by the employer.
- 3.3 OGDCL may cancel this pre-qualification and call for afresh prequalification, at any stage during and after completion of this pre-qualification process.
- 3.4 Successful contractors will be informed about the evaluation through letter as per prevailing policy of OGDCL.
- 3.5 If at any stage any willful commission/suppression of the fact is detected it would be sufficient cause to withdraw the pre-qualification of the contractor and to cancel the contract if already awarded.
- 3.6 Zones shall comprise of the area under the jurisdictions of concerned EFPs i.e. Engineering Field Party No. III (Fateh Jhang-03005550946) operating in North Punjab and KPK, Engineering Field Party No. IV(Ghotki-0300-5551372) operating in Lower Punjab and Upper Sindh, Engineering Field Party No. I (Dera Bugti-0336-5200668) operating in Baluchistan and Engineering Field Party No. V(Hyderabad-0300-5001451) operating in lower Sindh, respectively.
- 3.7 Further information about zones may be obtained from the respective offices of Party Chiefs as mentioned at serial # 3.6 above.
- 3.8 Contractors are required to submit following documents with their application on or before the date and time mentioned in the press advertisement. Application along with required documents shall be delivered on the address mentioned in the press advertisement.
 - i. Covering letter / Application for submission clearly mentioning the zones for which the applicant wants to apply/ prequalify. Any bidder who want to apply for more than one zone shall clearly mention name of zones in his covering letter attached with prequalification documents.

- ii. Full name, permanent address, telephone / fax nos., E-mail (Memorandum /Article of Association is required).
- iii. Valid Registration with PEC for the applicant contractor is mandatory.
- iv. Audited Accounts of the contractor for the last 03 years, duly signed and stamped by the respective chartered accountant.
- v. Details of relevant works carried out in last 15 years. Relevant work order / completion certificate from the clients are required as per criteria in this TOR.
- vi. Certificates of National Tax. No. (NTN) and PST registration is mandatory for all the zones for which the applicant wants to prequalify.
- vii. Details of Arbitration / Litigation cases, if any.
- viii. HSE, QA & QC Policy including focus on personal protective equipments.
- ix. Affidavit that the contractor has not been blacklisted by any Govt. /Semi Govt. or state owned organization.
- x. All the pages of the Prequalification proposal / application should be signed and stamped by the authorized representative of the company.
- xi. All contractors are required to submit signed & stamped TOR along with all documents for prequalification along with its application. Power of Attorney (POA) & copy of CNIC of the authorized representative who have signed the proposal / application shall also be attached with its proposal / application.
- xii. Undertaking / Affidavit on non-judicial stamp paper for providing all machinery as per requirements of works and instructions of Party Chief / Engineer-in-Charge. Minimum requirements of machinery is as under:-
 - a. Concrete Mixer - 04 No
 - b. Water Tanker - 02 No.
 - c. Tractor With Blade - 02 No.
 - d. Grader - 01 No.
 - e. Road Roller - 02 No.
 - f. Concrete Vibrator - 04 No.
 - g. Excavator Bucket /
Jack Hammer - 01 No.

3.9 Any contractor not registered for NTN shall be declared as non-responsive.

3.10 Any contractor not registered with PEC or not having valid PEC certificate for the current year or failed to provide PEC registration certificate will be declared as Non-responsive.

- 3.11 Audited account reports of contractor shall be verified from their chartered accountants, in writing, by the Technical Evaluation Committee, where required. In case the chartered accountant of the bidder declared their audited reports unauthentic / incorrect, the application of the bidder for pre-qualification will be declared as non-responsive. If the chartered accountant of the applicant does not provide his response within the reasonable time as communicated to them, the application of such applicant will also be declared as non-responsive.
- 3.12 Further, Technical Evaluation Committee will visit the offices of applicants for evaluation / verification purpose, where required. Technical Evaluation Committee will be entitled to declare the contractor as non-responsive based on their visit report / evaluation of the contractor's offices.
- 3.13 Failure to provide information / supporting documents that is essential for the evaluation of the application's qualification, or to provide timely clarification or substantiation of information supplied, may result in disqualification of the applicant.
- 3.14 OGDCL may ask any further information and details if required, at any time.
- 3.15 A single application (comprising of covering letter / Application for submission clearly mentioning the zone(s) for which the applicant wants to apply/ prequalify, with documents as required in this TOR) for prequalification will be required from applicants. Applicant will be prequalified for working in different zones of OGDCL as per their application and its evaluation.
- 3.16 Standard procedure for PQ application / proposal opening to be followed by Opening & Evaluation Committee and applicants.
- 3.17 Any applicant whose past performance with OGDCL is not satisfactory in terms of timely completion and quality of works, will be declared as "Not Prequalified". Respective Party Chiefs will be entitled to report the performance of all applicants to the Evaluation Committee who worked with OGDCL in the past. The evaluation committee will seek recommendations of the respective party chiefs regarding past performance of the applicants with OGDCL.
- 3.18 If required Technical Evaluation Committee is entitled to seek the opinion of the other organizations regarding performance of the applicants where the applicants have executed the projects which are under evaluation by the committee.
- 3.19 TOR for construction of PDEWs, Production Field / Plant Development works and civil works for laying of pipeline shall be issued to all prequalified bidders along with Invitation of bids including Bill of Quantities (BOQ) as specified against each work after pre-qualification from respective EFPs.

- 3.20 Once bidders are prequalified and in future works if the performance of any bidder is reported unsatisfactory in terms of timely completion, pace of work and quality of work (based on proper evidence / proof) the Party Chiefs will be entitled to recommend his case for blacklisting with endorsement of respective Manager & GM(C&ESS) / HOD to Blacklisting committee as per company procedure.
- 3.21 If due to late completion of a work by a prequalified bidder LD is applicable and the due amount of contractor against that work is not sufficient to withheld LD, then LD will deducted from any due amount of the contractor against any other work with OGDCL to save loss to the company.
- 3.22 In case the applicant submit Forged documents and based on forged documents the firm is declared prequalified and these documents are noticed during or after prequalification, OGDCL will be entitled to blacklist such applicant as per attached procedure / policy / rules (and intimate the name of such firm to Pakistan Engineering Council (PEC) for further course of action.

EVALUATION CRITERIA FOR PREQUALIFICATION OF CONTRACTORS

For Pre-Qualification of Contractors for Construction of Pre-drilling Engineering Works, Production Fields / Plants Development Works and Civil Works for laying of Pipeline (Composite Rate Basis) at Different Zones of Oil & Gas Development Company Limited Islamabad.

Evaluation Criteria

- i. Contractor's Pakistan Engineering Council registration and NTN Registration.
The contractor shall have valid NTN and PEC registration. If the contractor is not having valid PEC and NTN registration, will be declared as Non-responsive.
- ii. **Audited Accounts for last three years. - Maximum 30 marks. (Attested audited accounts are required)**
- a. Annual Turn Over 100 Million and above per year. - 10 marks
 - b. Annual Turn Over 80 Million & upto 100 M per year. - 09 marks
 - c. Annual Turn Over 60 Million & upto 80 M per year. - 08 marks
 - d. Annual Turn Over 40 Million.& upto 60 M per year. - 07 marks
 - e. Annual Turn Over 30 Million.& upto 40 M per year. - 06 marks
 - f. Annual Turn Over below 30 million marks/Nonresponsive - 0
- iii. **General Experience - Maximum 05 marks**
- No of years in business, certificate of incorporation / MOU, at least one Work orders / completion certificate of works carried out during each year for last 05 years are required.
- Maximum 05 marks.
- 01 Mark / year of business.
- iv. **Relevant Experience (work orders / completion certificate are required).**
- Ten (10) work orders of relevant works having highest cost during last 15 years shall be considered. Pre Drilling Engineering Works / Well Site Works / relevant Permanent Works (buildings, roads& infrastructure – as per SOW

of Pre-drilling Engineering Works) executed / completed by any bidder on composite rate basis shall be considered against relevant experience.

- **Maximum 50 marks**
- a. Works having cost above 40 million - 05 marks for each work.
- b. Works having cost above 30M and Upto 40 million - 04 marks for each work.
- c. Works having cost above 20 M and Upto 30 million - 03 marks for each work.
- d. Workshaving costabove 10 M and Upto 20 million - 02 marks for each work.
- e. Works having cost 05 million and Upto 10 million - 01 marks for each work.
- f. Workshaving cost below 05 million - 0 marks.

Project Manager / Site Engineer - Maximum 05 marks.

(Graduate Engineer with 05 years of experience)
(PEC registration, CV and appointment order / Service contract with the firm are required)

- a. PEC registration, CV and appointment order / services contract provided and meeting experience requirements - 05 marks.
- b. PEC registration, CV and appointment order / Service contract not provided or not meeting experience requirements - 0 marks.
- v. **Minimum machinery requirements - Maximum 06 marks.**
 - a. Undertaking / Affidavit on non- judicial stamp Paper as per TOR clause 3.8 (xii) provided - 06 marks
 - b. Undertaking / Affidavit on provided - 0 marks.
- vi. **HSE, QC & QA policy of the contractor - Maximum 04 marks.**
 - a. Provided - 04 marks.
 - b. Not Provided - 0 marks.

Threshold marks/score for pre-qualification = 70 marks.
Non-responsive/ Not pre-qualified = Below 70 marks

BLACK LISTING PROCEDURE

1. Blacklisting.

Blacklisting means; temporarily or permanently, barring an entity or a person against whom proceedings have been initiated including but not limited to bidder, contractor, supplier, agent, consultant, company, partnership or firm; hereinafter referred to as, Respondent from participating in any future procurement of goods and services. The Respondent(s) individually or collectively as a consortium may stand blacklisted if found to have been involved in any or all of the following acts:

a) Undermines or adversely affects the operations of the company through any of the following:

Withdrawing a bid during the bid validity period;

Failure or refusal to:

i. sign the Contract;

ii. accept Purchase Order / Service Order Terms;

iii. execute work;

iv. submit Bank Guarantee as per tender terms;

v. make supplies as per specification agreed;

vi. fulfill contractual obligations as per contract;

vii. meet purchase order / service order terms and conditions; and/or,

viii. to remedy underperformance as per contractual obligations.

ix. Or any other non-compliance of obligations vital for the execution/ compliance of the contract.

b) Repeated non-performance.

c) Indulgences in corrupt or fraudulent practices while obtaining or attempting to obtain contracts in the company.

d) Convicted of fraud, corruption, tax evasion or criminal misappropriation by a court of competent forum.

e) Notified blacklisted/debarred/cross debarred by any public sector organization or international agency. In this regards the contractor has to submit a certificate that he or his principal is not declared blacklisted / debarred / cross debarred by any public sector organization or international agency

f) Furnished information that was false and materially inaccurate or submitted forged or fake documents.

2. Debarment of Natural Terms.

The following shall stand disqualified and debarred from participating in OGDCL tenders or contracts pursuant to black listing proceedings:

i. In case of a company; all directors including its Chairman, Chief Executive and Chief Financial Officer.

ii. In case of partnership; all partners.

3. Debarment of Associated Companies or Entities.

Where a company or an entity has been blacklisted, all its associated or subsidiary undertaking whether by way of common directorship, common management and control, shareholding or direct or indirect control through directors of blacklisted entity etc. shall also stand disqualified from participating in OGDCL tenders or contracts

4. Standing Committee on Procurement Rules Enforcement (Committee).

a) The Managing Director shall constitute a Standing Committee on Procurement Rules Enforcement (Committee) with five members. The Chairman of the Committee and at least one member shall be an Executive Director (EG-IX).GM(Legal) should be a permanent member of the committee. The Head of Supply Chain shall act as the Secretary of the Committee.

b) The Committee shall submit an annual report to the Board of Directors for consideration.

c) The Committee deliberations as a guiding principle should be based upon adequate evidence. Consideration should be given as to how much credible information is available, and its reasonableness in view of surrounding circumstances, and inferences which may be drawn from the existence or absence of affirmed facts. The assessment should include all documents available and presented.

5. Proceedings for blacklisting.

- a) General Manager (Supply Chain Management) on his own accord or on receipt of information or a complaint shall refer the matter to the Standing Committee on Procurement Rules Enforcement (Committee).
- b) The Committee after examining the material placed before it shall determine whether it is necessary and appropriate to initiate formal black listing proceedings.
- c) In case the Committee decides to initiate blacklisting proceedings Respondent shall be formally intimated in writing about the nature of complain/matter and initiation of blacklisting proceedings.
- d) The Respondent shall be intimated by giving a seven days notice through courier services, registered post or fax or email and, shall be provided an opportunity of furnishing response either through written representation or personal hearing or both.
- e) In case the Respondent fails to furnish his defense or representation the committee may proceed ex-parte on the basis of information, record and material available before it provided that two subsequent notices at three working days intervals have been given.
- f) The Committee shall complete its proceedings within 30 days from the date of first notice given pursuant to paragraph (d) above.
- g) The Respondent against whom blacklisting proceedings have been initiated maybe represented through:
 - i. In case of an individual or sole proprietorship; in person.
 - ii. In case of a firm or partnership; by the Chief executive or the Managing Partner, duly authorized.
 - iii. In case of a company; by the Chief Executive or a Director or any officer dulyauthorized by the Company.

6. Findings & Decisions.

- a) The Committee after finalizing its proceedings shall record its findings in writing and decide one of the following measures for implementation:
 - i. Temporarily debarred, specifying the time period;
 - ii. Blacklisted if the Respondent fails to take remedial action within the specified time; or,

iii. Blacklisted.

b) The order of the Committee shall be communicated in writing as per Form 3.

c) The documents, deliberations reduced in writing and all records of proceedings are to be maintained for five years by the Supply Chain Department.

8. Appeal.

a) The Respondent may appeal within three working days of intimation of decision of the Committee to the Managing Director in writing of any irregularity in the decision of the Committee.

b) If there exists any substance in the appeal the Managing Director after recorded reasons may direct that Committee may review the case by providing opportunity of hearing to the Respondent provided that the review shall be completed within 15 days.

c) The Committee shall record its findings in writing and refer the same to the Managing Director for appropriate orders.

d) If the decision at 6 a(ii) or (iii) materializes then the decision is fit to be publicized and communicated to PPRA, and any other department if deemed necessary, and also hoist on OGDCL website.