



OIL & GAS DEVELOPMENT COMPANY LIMITED
PROCUREMENT DEPARTMENT (LOCAL), ISLAMABAD
SCHEDULE OF REQUIREMENT

Material : **BARITE POWDER**

Tender Enquiry No: **PROC-LA/18088-A/20**

EVALUATION WILL BE CARRIED OUT ON FULL

Due Date:

Bid Bond Value : **RS. 6 MILLION**
Attachment(if any) : **YES**

Sr No	Description	Quantity	Make/Brand offered	Unit	Unit Price (PKR) Inclusive Of All Taxes Except GST <i>EX-FACTORY</i>	Unit Price (PKR) Inclusive of GST <i>EX-FACTORY</i>	Total Price (PKR) Inclusive of GST <i>EX-FACTORY</i>	Delivery Period Offered	deviation from Tender Spec. If Any
1	BARYTE POWDER Conforming to API Specs 3-A. PLY.STATE (Light Brown Free Flowing Powder); DENSITY (4.20 g/cm Min); WATER SOLUBLE ALKALINE EARTH METALS CAL (250 mg/ltr Max); RESIDUE on US Sieve # 200 (3%) & 325 (5%) by weight Min) for 2021-22	35000		Metric Ton					

Special Note: The prospective bidders also download the master set of Tender Document

- The prospective bidders may keep in touch with OGDCL web site for downloading the clarifications/amendments (if any) issued by OGDCL.
- THE ABOVE PRICES SHOULD BE QUOTED ON EX-FACTORY BASIS WITH LOADING AND INSURANCE OF MATERIAL UPTIL DELIVE DESTINATION. BID VALIDITY 120 DAYS FROM TECHNICAL BID OPENING. DELIVERY AS PER CLAUSE 20 & PAYMENT TERMS AS PER CLAUSE NO. 24 OF ITB (G).

TENDER # PROC/LA/PT/WS/18088-A/BRT/2020 FOR BARITE POWDER

TECHNICAL SPECIFICATIONS SHEET

Barite is the largest consuming item among the mud additives and is used as weighting agent in the drilling fluid for controlling the subsurface formation pressure during drilling as well as work-over operations.

Each bidder should invariably mention the exact value of the properties of their quoted product. Only to write “conforming to” or “OK” will not be sufficient.

A) TECHNICAL SPECIFICATIONS:

SR. NO.	PHYSICAL PROPERTIES	REQUIRED SPECIFICATIONS	EXACT VALUE OF THE OFFERED PRODUCT
01.	Density	4.20 g/cm ³ (Minimum)	
02.	Water Soluble Alkaline Earth Metals as Calcium	250 mg/Ltr. (Maximum)	
03.	Residue on US Sieve No. 200 (Wet screen analysis)	3% by weight (Maximum)	
04.	Residue on US Sieve No. 325 (Wet Screen analysis)	5% by weight (Minimum)	

B) VENDOR & MATERIAL INFORMATIONS:

Sr. #	DESCRIPTION	TO BE FILLED IN BY THE BIDDER
01.	Name of Bidder	
02.	Complete address, telephone, e-mail and fax numbers of bidder	
03.	Name of the Mine Owner (Producer) / Leaser	
04.	Name of Authorized Signatory of Mine Owner (Producer) / Leaser.	
05.	Complete address, telephone, e-mail and fax number of Mine Owner (Producer) / Leaser.	
06.	Website of the quoted Mine Owner (Producer) / Leaser.	
07.	Name, Designation, Phone / fax and e-mail of contact person of quoted Mine Owner (Producer) / Leaser.	
08.	Brand name of Product	
09.	Minimum shelf life of the quoted product.	
10.	Annual Production Capacity (with Documentary Proof)	

C) Names of **07 (Seven) clients/ sales achievements** (E & P companies only) other than OGDCL to whom supplied the quoted product (not less than 1,000 M.Ton/ Year), including at least **02 (Two)** companies to whom supplied the quoted product in bulk quantity (not less than 10,000 M.Ton / Year) with contract numbers and quantities during the last Ten (10) years commencing from year 2010 as a proof of Ten years' experience. OGDCL, if required, may demand verification.

Sr. No.	Names of Clients with Address, Telephone Nos. and e-mail	Contract / Purchase Order Nos. with date	Quantity Supplied (M.Ton)

TENDER # PROC/LA/PT/WS/18088-A/BRT/2020 FOR BARITE POWDER

D) MANDATORY ATTACHMENTS:

01	Product Data Memorandum in original printed by Mine Owner (Producer) / Leaser.	Attached/ Not attached
02	Material Safety Data Sheets in original printed by Mine Owner (Producer) / Leaser.	Attached/ Not attached
03.	Valid API Certificate for the production of API standard Barite.	Attached/ Not attached
04	Original authority letter issued by Mine Owner (Producer) / Leaser to the bidder for quoting their product	Attached/ Not attached
05	Valid authentic certificate as a proof for ownership of the Mine / Lease for the quoted product from any Govt. Authority / Chamber of Commerce.	Attached/ Not attached
06	Company profile with manufacturing capability/ capacity & experience of last 10 years.	Attached/ Not attached
07	02 Kgs sample of offered product.	Provided/

E) PACKAGING:

Barite Powder should be packed in one (01) M/Ton export quality new jumbo bags having thick, high density inner polythene liner for rendering material completely moisture proof. The packaging of the Barite Powder should be of international standards and capable to safe transportation during road journey from factory to OGDCL Stores & Stores to well site and to withstand prolonged & harsh weather conditions at the storage points and at the well sites / locations.

F) MARKING:

Each Bag should have clearly legible marking, as given below:

- (a) Name of the product.
- (b) Name of the Mine Owner (Producer) / Leaser
- (c) Date/month/ year of production
- (d) Minimum shelf life
- (e) Supply order number against which supplies are made.
- (f) Lot No. _____ / Batch No. _____.

G) INSTRUCTIONS TO THE BIDDERS/ TERMS & CONDITIONS:

1. **Evaluation Criteria** for successful bidder is Technically Responsive and Financially the Lowest.
2. The Mine Owner (Producer) / Leaser of the quoted products must be an **API certified** producer and have minimum **10** years' experience of producing/ processing/ manufacturing & supplying of indented chemical to E & P companies specifically, duly supported by valid authentic **Certificate** as a proof for Mine Owner (Producer) / Leaser of the quoted products.
3. **Minimum shelf life** of the quoted products **should not be less than 03 years.**
4. Technical Specifications Sheet of the quoted products duly filled-in must be enclosed in the technical bid.
5. Technical bids will be evaluated, keeping in view the track record of **Bidder & Mine Owner (Producer) / Leaser** and the bids will be declared technically non-responsive if the previous performance of any of the stated entities, all the associated subsidiary undertaking whether by way of common directorship, common management and control share holding or direct or indirect control through directors prove to be unsatisfactory and accordingly stand disqualified from participating in OGDCL tenders or contracts.

TENDER # PROC/LA/PT/WS/18088-A/BRT/2020 FOR BARITE POWDER

6. The **bidder** (in case of Pakistan origin) must be registered with Securities & Exchange Commission of Pakistan (**SECP**).
7. An authority letter in original issued by the Mine Owner (Producer) / Leaser for allowing the bidder to quote their product for this particular tender enquiry, duly signed/stamped, must be attached with the technical bid in case the bidder is not manufacturer.
8. All the bidders must have to provide/ submit the **02 Kgs sample** of the quoted product along with technical bids at the time of bid submission.
9. If any of the information provided by the bidders proves wrong or any counterfeited/unlawful document is submitted to mislead department, OGDCL reserves the right to disqualify such bids without further assigning any reason. Such bidders will not be allowed to bid for any future procurement.
10. The average annual consumption is 35,000 M.Ton per year. The quantities of indented material can be increased or decreased at the time of finalization of case according to the requirement.
11. Prior to supply of the material, the supplier of the product shall have to arrange physical inspection of the material from purchaser representative (Indenting Department) of the ready stock of material for supply to OGDCL. For the confirmation of technical specs the drawn representative samples will be tested at OGDCL Lab.
12. The final acceptance of the requisite consignment will be made after physical inspection of consignment & Lab analysis of representative sample drawn after its delivery at OGDCL Store / any location or Rig site, for conformance to technical specs of tender documents. The lab analysis will be undertaken at OGDCL own or any other reputable lab of OGDCL choice including but not limited to M/s Intertek, M/s SGS & M/s PCSIR and acceptance of the results will be binding over the supplier.
13. Material must have to be lifted back by the vendor if found not as per technical specification of this particular tender enquiry even after its receipt/ use at the base stores / any location or Rig site and have to replace with the material conforming to technical specifications with no cost to OGDCL.
14. In case the Barite is supplied at any OGDCL Rig site (other than Khadeji & Chak Naurang Base Stores), the location distance given by OGDCL will be considered final.
15. The successful bidder will not be having any objection if the transport is arranged by OGDCL for lifting the Barite from the Mill / Factory.
16. Loading of the Barite Powder at Mill / Factory shall be responsibility of the bidder, while unloading at the destination shall be responsibility of OGDCL.
17. OGDCL shall place Local Purchase Order to the successful bidder from time to time on as & when required basis for delivery of Barite Powder during the execution of contract.
18. The supplier will have to provide the demanded quantity of the material within 10 days after receiving the mobilization notice from OGDCL, failing to which action will be taken as per rules.
19. All the bidders must have to quote their rates for the 01 fiscal year on per M.Ton basis as per the following format.

Sr. No.	Fiscal Year	Price per M.Ton (Ex-factory) inclusive of all taxes except GST Rs.	Price per M.Ton (Ex-factory) inclusive of GST Rs.
1.	01-07-2021 TO 30-06-2022		

TENDER # PROC/LA/PT/WS/18088-A/BRT/2020 FOR BARITE POWDER

20. **DELIVERY PLACE:**

- (i) At our Khadeji Base Store
- (ii) At our Chak Naurang Base Store
- (iii) At any location / Rig site of OGDCL in Pakistan as per operational requirement.

21. **CONTRACT PERIOD:**

One year commencing from 01-07-2021 to 30-06-2022 on as & when required basis, as per operational requirement.

22. **ANNUAL PRODUCTION CAPACITY:**

Production capacity of mill/factory must be a minimum of 50,000 M.Ton per year duly supported by documentary proof.

23. **RESERVE STOCK:**

The quantity of 2,500 M.Ton Barite must be kept in reserve stock by the supplier during the whole contract period for lifting on short notice in emergency.

24. **PAYMENT TERMS:**

Payment after Delivery with Part Delivery Part Payment.

25. The successful bidder will be responsible for arranging the Transport from ex-mill / factory up to the destination as per written advice of OGDCL, for the purpose supplier will obtain at least 03 quotations from the transporters and will send it to OGDCL for approval, after the approval of rates transport will be arranged accordingly by the supplier.

26. Freight charges will be paid at actual direct to transport contractor, which will be approved by the Management of OGDCL from time to time up to destination as per advice of OGDCL.

AGREEMENT FOR SUPPLY OF BARITE POWDER

THIS **Contract for Purchase of** _____ is made at Islamabad as of this _____, by and between

Oil & Gas Development Company Limited a public limited company incorporated under Companies Ordinance, 1984 having its registered office at OGDCL House, Jinnah Avenue, Sector F-6, Blue Area Islamabad (hereinafter referred to as the "Company" which expression shall include its successors, nominees and permitted assigns) being party of the ONE PART and

M/s _____ having its registered office at address _____ (hereinafter referred to as the "Contractor/Supplier" which expression shall include its successors, nominees and permitted assigns) being party of the OTHER PART.

WHEREAS, the Contractor and Company shall hereinafter, if the context so requires, be individually referred to as a "**Party**" and collectively as the "**Parties**".

WHEREAS, The Company is desirous to *purchase of Barite Powder* under Agreement for a period of ONE year effective from **1st July, 2021 to 30th June, 2022**.

AND WHEREAS, the Company invited bid for purchase of **Barite Powder** through Tender Enquiry No. _____ and the Contractor through its Bid No _____ dated _____ warrants and represents for *sale of* _____.

WHEREAS, the Contractor is engaged in the *business of Mining and Grinding of Barite (API Standard) as per TOR*.

NOW THEREFORE, in consideration of the promises and mutual undertaking and covenants hereinafter set forth, the Parties hereby agreed as follows:

Sr. #	Fiscal Year	Price per M.Ton (Ex-Factory) inclusive of all taxes except GST PKR	Price per M.Ton (Ex-Factory) inclusive of all Taxes & GST PKR
01.	01-07-2021 To 30-06-2022		

1) CONTRACT DOCUMENTS:

- a) The following documents shall be deemed to form and be read and construed as integral part of this Contract:
 - i) This Contract.
 - ii) Company's LOI.
 - iii) Company's Tender documents.
 - iv) Contractor's Technical & Financial bid and all correspondence/clarifications/ confirmations made thereafter.
- b) Any inconsistency between the above documents of this Contract shall be resolved by giving precedence in the order in which they are listed above.

2) TENURE:

- a) This for purchase of Barite Powder shall be for the period of one year basis i.e. **from 1st July, 2021 to 30th June, 2022**.

3) FREIGHT CHARGES:

- a) M/s _____ will not having any objection if transport is arranged by OGDCL for lifting of Barite from supplier's Factory/Mill.
- b) If M/s _____ arranges transport for lifting of Barite from Ex-mill, then M/s _____ will obtain at least three quotations from the transporters and transport will be arranged after conveying to the supplier regarding approval of rates from OGDCL Management.
- c) Freight charges will be paid at actual approved rate by OGDCL Management direct to transport contractor, by Chief Accountant (Fields) Accounts Department (Head Office) after the endorsement of concerned incharge location.

4) DELIVERY:

- a) All Purchase Orders of Barite Powder shall be placed by OGDCL in writing from time to time on "as & when required basis" for delivery of Barite Powder during currency of the contract.
- b) Loading of the Barite Powder at the M/s _____ Factory/ Mill, shall be the responsibility of the supplier while unloading of the Barite Powder at the destination shall be responsibility of OGDCL.
- c) The materials will have to be dispatched to the advised location(s) within 07 working days from the date of issuance of written request, subject to transportation of Materials from factory location to the delivery location.
- d) Replacement of rejected materials in any case within seven (15) days on your own expense if the same is found damaged / leaked in packing after physical inspection at the delivery locations.

5) PAYMENT TERMS:

- a) OGDCL shall arrange payments after delivery of material (part delivery part payment) within 30 days from the receipt of invoices and other documents mentioned on the overleaf of LPO.
- b) M/s _____ will submit Commercial and Sales Tax Invoices along with Annexure-C (for material) issued by FBR with status "submitted" upon completion of deliveries.
- c) M/s _____ will submit original Provincial Sales Tax Invoices along with Annexure-C with submitted status (for freight charges), issued by concerned Province with status "submitted" upon completion of deliveries.

6) MINIMUM QUANTITY TO BE LIFTED:

- a) OGDCL shall lift the estimated quantity of 35,000 M. Tons Barite Powder on yearly basis during the currency of the contract which may increase or decrease.

7) PACKAGING:

- a) Barite Powder should be packed in one (01) M/Ton export quality new jumbo bags having thick, high density inner polythene liner for rendering material completely moisture proof. The packaging of the Barite Powder should be of international standards and capable to safe transportation during road journey from factory to OGDCL Stores & Stores to well site and to withstand prolonged & harsh weather conditions at the storage points and at the well sites / locations.

8) MARKING:

- a) Each Bag should have clearly legible marking, as given below:
 - i) Name of the product.
 - ii) Name of the Mine Owner (Producer) / Leaser
 - iii) Date/month/ year of production
 - iv) Minimum shelf life
 - v) Supply order number against which supplies are made.
 - vi) Lot No._____/ Batch No._____.

9) RESERVE STOCK:

- a) The bidder shall always maintain sufficient stock of 2,500 M/Tons Barite during the whole contract period for lifting on short notice in emergency so that delivery is made within the shortest possible time from the receipt of demand in accordance with Purchase Order to be issued by OGDCL under this Contract from time to time.

10) PATENT RIGHTS:

- a) The Contractor shall protect, indemnify and hold the Company harmless from and against all claims, proceedings, demands, damages, costs, charges and expenses whatsoever for or on account of infringement of any patent rights, design, trade-mark, industrial design or name or other protected rights in respect of any design, method, machine work, material etc. used for or in connection with the Supply.

11) TAX:

- a) Income Tax will be deducted by OGDCL at source according to prevailing rate prescribed by the Govt. of Pakistan. Tax will not be deducted on submission of valid exemption certificate by supplier issued by the Income Tax Authorities.
- b) All taxes on the income or payments to the Supplier(s) arising accruing or resulting under the Purchase Order(s) whether present or future, assessed or payable, inside or outside Pakistan shall be the exclusive responsibility of the Supplier(s). Company, in order to discharge its responsibilities as withholding agent shall withhold income tax from the payments to the Supplier(s) within the Purchase Order value at the rates applicable at the time of payments.
- c) GST on goods and PST allied services is applicable in Pakistan under federal/provincial sales tax laws. The Supplier(s) being registered with respective federal/provincial revenue authority of Pakistan is entitled to charge applicable sales tax over and above it's bid price and will be responsible for the payment of such sales tax to the respective revenue authority as per the prevailing federal/provincial sales tax laws. OGDCL being the withholding agent from the Supplier(s) (whether registered or un-registered) shall withhold, wherever applicable, as per respective sales tax withholding rules.
- d) The Supplier shall be responsible for income tax and all other taxes levied on the Supplier(s), their social security obligations and contributions regardless of whether such contributions are levied on Purchaser in Pakistan.
- e) THE SUPPLIER shall keep the OGDCL informed of the steps taken by it to discharge the tax obligations under the Purchase Order(s) and provide supporting documents whenever required by the OGDCL.

- f) THE SUPPLIER shall indemnify the OGDCL against any claim which might occur due to non-compliance by the Supplier(s) of any legal obligation regarding taxes, duties, fees, levies, or other charges, including taxes on income and sales tax in Pakistan and any other payments due to the Federal or Provincial Governments, their agencies or any other relevant authority.
- g) Under the auspices of COMPANY, THE SUPPLIER shall be exempt from customs duties in excess of 5% and valorem leviable under first Schedule to the Pakistan Customs Act 1969 and the whole of sales tax leviable under Sales Tax Act, 1990 on import of consumable and or non-consumable materials, machinery & equipment not manufactured locally and or in excess of 10% ad valorem as are manufactured locally required for operations under this Purchase Order as per the provision given under SRO 678(I)/2004 and any changes thereto that may come into effect from time to time.
- h) All clearing and brokerage charges incurred shall be to the account of Supplier(s).
- i) The above clauses relating to payment of taxes would prevail notwithstanding a contrary expression reflected in any other clause of the Purchase Order.
- j) Any increase or decrease in the rate of taxes except withholding income tax by the Government of Pakistan shall be on OGDCL's account.

12) CONTRACTOR'S OBLIGATIONS:

- a) The Contractor warrants and represents that all Supply of Material / allied services provided under this Contract shall be in accordance with good industry practice as per the specifications mentioned in Purchase Order(s) to be issued from time to time and the Contractor shall use every reasonable means for efficient and timely performance of the Contract.
- b) The Contractor shall secure and maintain during the performance of this Contract, all licenses, permits, authorization and certification required under the laws of Pakistan and applicable to Contractor. Company has the right to inspect such licenses, permits, authorization and certificates and the Contractor shall forthwith comply with such request.
- c) Contractor shall employ and depute for the execution of Supply of Material and allied services, persons who are careful, skilled and experienced in their profession. The Company' shall have the right to ask the Contractor to replace any person employed by the Contractor for execution of Contract who, in the sole opinion of Company, misbehaves, is incompetent or negligent in the performance of his duties or fails to conform with any particular provisions with regard to safety which may be set out in the Contract, or any conduct which is prejudicial to safety or health, and such person shall not be employed again for the Supply of Material and allied services without the permission of the Company.
- d) Contractor and its personnel shall, when using Company's premises, adopt and observe all safety, security, fire and health measures and comply with all reasonable directions relating to health and safety rules and emergency evacuation plans as notified or as directed by the Company.

13) FORCE MAJEURE

- a) "Force Majeure" shall mean an unforeseeable event that impairs the ability of the Party affected by it to wholly or partially perform its obligations under this Contract. In the event of either party hereto being rendered unable, wholly or in part, by Force Majeure circumstances to carry out its obligations under this Contract, then such party by giving notice with satisfactory evidence of such Force Majeure circumstance(s) relied upon, the obligations of the party giving such notice so far as they are affected by such Force Majeure shall be

suspended for the period during which the party, is rendered unable as aforesaid, but for no longer period. However, such notice must be given within fourteen (14) days of occurrence of Force Majeure event. The terms Force Majeure as employed herein, shall include but not be limited to acts of God or war, war whether declared or undeclared; acts of terrorism or sabotage, or public enemy; riots and insurrection; civil commotion; revolution; embargo, blockade, invasion or act of foreign enemies; epidemic; landslide, lightening, earthquake, loss of well, reservoir failure, change of law or policy; or any other cause beyond the control of the affected Party which materially and adversely affects the performance by such Party of its obligations under or pursuant to this Contract, other than to make payments due hereunder, acts of enemies, civil insurrection, fires, floods, earthquakes or other physical disasters, order or request of Government, blockade or embargo. It is however, clarified that strikes, lockouts, shortage or non-availability of raw materials, rains disturbances, other labour disputes or non-availability of transport shall not be included in the term "Force Majeure". During the established period of Force Majeure as contained hereinabove, the Contractor shall not be entitled to payment for Supply and the Company shall not impose penalty.

- b) In case the Force Majeure contingencies last continuously for more than one month, both parties will agree on the necessary arrangement for the further implementation of the contract. In case further implementation is unforeseeable and impossible, both parties shall arrange for the termination of the Contract, but without prejudice to their right and obligations prior to such termination it being understood that each party shall fulfill its contractual obligations so far as they have fallen due before the operation of Force Majeure.

14) CONFIDENTIALITY:

- a) Any data provided by the Company or which the Contractor or its employees have access to, or which they acquire directly or indirectly under this Contract or during the performance of this Contract, shall be deemed Confidential Information. Duplication or disclosure of such Confidential Information by Contractor or any one claiming through it without the prior written consent of the Company is strictly prohibited. All Confidential Information shall be the sole property of the Company. The Contractor hereby agreed not to disclose said data, information, any interpretations thereof, or data derivative there from or any information relating to Company's facilities, installations and operations etc to unauthorized parties or person. This Section also applies to any sub-consultant, assignee or consultants used by the Contractor. The obligations under these provisions shall survive the termination or expiry of this Contract.
- b) Neither the Contractor nor any of its employees shall, except with the prior written consent of the Company, take ground or aerial photographs of the site, rig, installation or existing facilities of the Company.
- c) The Contractor further undertakes that it shall not, except with the prior written consent of the Company:
 - i) make any reference publicly, whether to the press or in books, brochures, internal publications, publicity material, magazines and periodicals or by advertisement through radio, television or films or by any other medium relating to:
 - (a) the Contract or its terms and conditions,
 - (b) the nature or extent of Supply carried out by the Contractor,
 - (c) the method, materials, or equipment used and personnel employed, or
 - (d) any other Company information in the possession of the Contractor.
 - ii) Disclose or convey any of the matters or information referred to in (i) above to any employees of the Contractor not directly concerned with the Contract.

15) DEFAULT:

- a) If the Contractor is unable or unwilling to perform its supply of material and allied services in accordance with terms of the Contract, the Company may obtain conforming material and allied services from other sources, in which case, the Contractor shall be liable to the Company for the increased cost, if any, incurred by the Company for procuring such material from other sources.
- b) The Contractor shall also be in default under the Contract if the Contractor (a) fails to fully and timely perform any of its material obligations under the Contract (b) becomes insolvent or seeks relief under the bankruptcy laws.

16) CERTIFICATION:

- a) The Contractor hereby warrants and undertakes that all kinds of licenses, permits, authorizations and certifications required under the laws of Pakistan and applicable to the Contractor are intact, valid and possessed by the **THE SUPPLIER** and shall be maintained during the performance of this Contract. The Company has the right to inspect, or demand for such licenses, permits, authorization and certificates and the Contractor shall forthwith comply with such inspection on demand.

17) TERMINATION:

- a) In the event of default by the Contractor, the Company shall have the right to terminate the Contract for cause, by giving written notice effective ten (10) days after the date of such notice, unless otherwise specified therein. If the Contractor cures such default within the ten (10) days period, or provides evidence to satisfy the Company that such default does not exist. In addition to any other remedy available under law or in equity, the Company shall be entitled to recover all actual damages, costs and losses incurred by the Company as a result of default by the Contractor.

18) ARBITRATION:

- a) If any technical question, difference or dispute arises under this Contract, the Parties shall use their best efforts to promptly resolve such dispute, controversy or disagreement. However, if the dispute continues, either Party may give written notice to the other for appointment of an expert to resolve the dispute. The expert shall be preferably a Pakistani national and shall have at least ten years of experience in the relevant technical field.
- b) If any question, difference or dispute arises regarding the rights, obligations or performance by the Parties under this Contract, the Parties shall use their best efforts to promptly resolve such dispute, controversy or disagreement amicably. This includes without limitation the question of whether one or the other is in default and what action if any shall be taken to remedy such default. If the Parties are unable to resolve such question, difference, dispute and controversy, the matter may be referred to arbitration under Arbitration Act 1940. Either Party may notify the other in writing specifying the nature of the dispute and designate one arbitrator to whom such dispute shall be referred requesting that the other party give notice in writing within fifteen (15) days after receipt of the notice of designation of the second arbitrator. The two arbitrators shall within fifteen (15) days after the receipt of notice of the second arbitrator, appoint an umpire whose decision with respect to the dispute shall govern in the event that the arbitrators if fail to agree. In the event that second arbitrator is not designated within the time specified, the first arbitrator shall have full and complete power to determine the dispute. The award of Arbitrators or Umpire shall be final and binding on both the parties.

- c) Arbitration shall be precedent in any action of law and that the provisions of the Arbitration Act, 1940 and rules framed thereunder shall apply. The venue of the arbitration shall be in Islamabad, Pakistan.
- d) The expenses of arbitration shall be charged equally to the Parties unless the award of the arbitrator(s) or the umpire, as the case may be, otherwise provide.

19) INSURANCE DEMURRAGE:

- a) The Contractor shall within seven (07) days of the date hereof take out and shall maintain until maturity of the Contract, standard insurance policies, which shall include Contractor's waiver of subrogation as follows:
- b) Worker's compensation insurance covering all employees, engaged directly or indirectly in the performance of the Supply and allied services in accordance with the applicable statutory requirements of the state or nation having jurisdiction over such employees.
- c) All risk insurance cover for the Supply, Equipment, vehicle and allied services including without limitation Equipment and machinery and other materials, if any supplied hereunder by the Contractor.
- d) The foregoing insurance shall be maintained with insurers that are satisfactory to the Company, and the terms of coverage for the foregoing insurance shall also be satisfactory to the Company and shall be evidenced by certificate to be furnished to Company. Such certificates shall provide that ten (10) days written notice shall be given to Company prior to cancellation of any policy. In the event the Contractor fails to effect or keep in force the insurances then the Company without prejudice to any other rights, shall effect and keep in force such insurance's at the Contractor's cost and risk.
- e) It shall be the duty of the Contractor to notify the insurers of any insurance referred to above or of any matter or event, which by the terms of such insurance are required to be so notified.
- f) The Contractor shall indemnify the Company against all suits, proceedings, claims, liens and demands whatsoever which may be made against the Company by the third parties for or in respect of out of any failure by the Contractor in performance of its obligation or wrongful performance under this Contract or any act or omission in connection therewith. Should Company have to pay any moneys in respect of any such claims or demands, the amounts to be paid and the costs incurred by the Company in connection therewith, shall be charged to and paid by the Contractor in full.

20) AMENDMENTS:

- a) No variation in or modification of the terms of this Contract shall be made except by written amendment signed by the duly authorized representative of the Company and the Contractor.

21) GOVERNING LAW:

- a) This Contract shall be construed, interpreted and governed by the laws of the Islamic Republic of Pakistan.

22) ERADICATION OF CORRUPTION:

- a) Contractors are encouraged to inform the Managing Director and Heads of Departments in case where any Company's employee asks for any type of favour whether monetary or in kind. You can contact the M.D. and Heads of Departments on the following addresses, phone numbers, faxes or e-mail:

i MD & CEO
Oil & Gas Development Company Limited

OGDCL House, Blue Area, Islamabad.
Tel No. 051-9209701
Fax No. 051-9209708
E-mail: md@ogdcl.com

ii

GM (SCM)
Tel No. 051-920023540
Fax No. 051-9209859

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the date first above written.

COMPANY

CONTRACTOR

Signature_____

Signature_____

Name_____

Name_____

Position_____

Position _____

Witness _____

Witness_____

Witness_____

Witness_____