

OIL & GAS DEVELOPMENT COMPANY LIMITED



TENDER NO. PROC-FC/CB/OGTI-DRL/3212/2018

SIMULATOR FOR TRAINING PURPOSE (OGTI)

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SECTION - II

OGDCL MASTER SET OF TENDER DOCUMENTS IS AVAILABLE ON OGDCL WEBSITE

(Note: In case of any conflict between Section I & Section II, Section I shall prevail)

SCOPE OF WORK (DRILLING & WELL CONTROL SIMULATOR)

To supply one full size drilling and Well Control Simulator with hardware panels, as per technical specifications given under technical specifications, for training in onshore operational environment. The Simulator should meet the same modeling capability as a rig floor and it should meet the functional requirements of IADC and IWCF.

TERMS OF REFERENCE (TOR)

Manufacturers/Bidders to comply following mandatory requirements for acceptance:

1. Bids from the internationally reputable manufacturers/Bidders are required having proven track record of manufacturing & supplying of Drilling & Well control simulators to the industry.
2. Authority letters in original from the manufacturer to bidder and from bidder to local agent for offered Drilling & Well control simulator with tender enquiry number must be furnished with the technical offer. The authority letter must be on company letter head, showing the name and contact details (E-mail & fax number) of the signing authority.
3. The Manufacturer of Drilling & Well control Simulator must have at least 25 years' Experience of Manufacturing similar Drilling & Well control Simulator and have relevant valid IWCF & IADC Certification. In this regard relevant IWCF & IADC certification to be submitted with the technical Bid.
4. Letter in original from the manufacturer covering Warranty/ Guarantee for offered Drilling & Well control simulator & other offered equipment as per SOR for period of 2 years from the date of commissioning & after receipt of items in OGDCL stores to be provided by the manufacturer. Free of cost replacement, installation & commissioning of any defective part/item/ assembly will be made by the OEM during warranty period.
5. Third party inspection by internationally reputed inspection company is required for the offered Simulator and allied equipments. TPI will be arranged by OGDCL from any of the following parties (i) M/S Bureau VERITAS (ii) M/S SGS (iii) M/S TUV Austria (iv) M/S Velosi (v) M/s TUV Rheinland. Bidder will assist and make necessary arrangement for TPI.
6. Free of cost assembly of equipment for third party inspection will be responsibility of the OEM.
7. Suitable manpower (skilled and non-skilled workers) will be provided by the OEM free of cost to assist in the inspection as per plan/ schedule of the inspection job. Plan/ schedule of inspection will be communicated to the OEM before start of inspection.
8. Drilling & Well Control simulator service Engineers/supervisors will be provided by the original OEM of Drilling & Well Control Simulator to install/commission the complete Drilling & Well Control Simulator at OGDCL training institute I-9 Islamabad. All Cost will be borne by supplier.

9. All the offered equipments & accessories should be brand new and unused; OEM certificate to this effect must be submitted with the technical Proposal for all equipments.
10. Successful Bidder will arrange complete training of Five (05) drilling professionals related to the provided equipment & modules at its Manufacturing facility. All cost related to visa, travelling, boarding/lodging, Daily allowance US \$ 300/day/person etc will be borne by vendor. The training should covers all aspects like operation, software, IWCF Drilling & Well control level 1 to 4, IADC Well Sharp Courses, maintenance, training of drilling professionals, Instructor module, back up & trouble shooting, software, CRM (Crew Resource Management) & TBT (Team Base training) etc. At the end of the training Manufacturer will issue training certificates having IWCF & IADC certification to the participant. Moreover duration of the said training should be 4 - 6 weeks.
11. In land transportation, boarding/ lodging/messing and security of OEM Service Engineer for installation and commissioning of Drilling & Well control simulator will be responsibility of the OEM at its own cost.
12. Successful Bidder/Manufacturer will arrange insurance and will complete all formalities for inland security clearance of service engineers/supervisor from Government agencies accordingly.
13. Bidder shall fully satisfy itself in regard to the extent and nature of the Services and the conditions under which the Services will be carried out. It must also be fully aware of the work to be performed, the conditions affecting the supply of materials, and equipment, any applicable local registration and tax requirements, import/export regulations and restrictions and all other conditions requiring consideration in order to ensure that the Bids will be firm and comprehensive. No claims on the grounds of lack of knowledge in any respect will be entertained.
14. Bidder shall study these terms of reference/scope of work along with the tender documents and generally obtain all information required to enable it to submit its Quote and shall be deemed to have satisfied itself as to the correctness and sufficiency of its Quote prior to submitting the bid.
15. Prospective Bidders shall take no advantage of any apparent errors or omissions in the TOR/SCOPE OF WORK Documents. In the event that any errors or omissions are discovered, prospective Bidder/Bidders shall immediately notify Company and specifically set forth any such errors or omissions in its quotation. Prospective Bidder/Bidders shall not make any assumption in preparation of its quotation/Bid and must seek appropriate clarification from COMPANY on the following email addresses:-

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16. The Manufacturers/Bidders will be required to quote FOB & CFR Karachi by Sea Prices for all the items as per BOQ/Financial Bid Format.
17. Successful Bidder/Manufacturer will supply all the necessary engineering support to run the provided simulator smoothly for a period of 5 years from the date of successful commissioning.
18. Bidder will provide complete list of necessary spares required for smooth operation of quoted simulator for a period of 2 years in the technical Bid. The cost of two years spares shall not exceed 15% of the equipment/material cost.
19. Successful Bidder will make sure to provide full back up engineering support after warranty period with the provision of any spares/parts for the provided simulator for a period of 5 years. Confirmation to this effect is required in the technical offer.
20. The Manufacturer of the offered Drilling & Well control simulator must have HSEQ policy statements. Bidder to provide HSEQ policy statements with the technical offer.
21. Adequate and relevant OEM technical literature & drawings (in printed form) of offered Drilling & Well control Simulator and allied equipment design & dimensions must be submitted with technical Bid.
22. The cost for installation, commissioning, configuration, testing and training & support Plan for a period of 05 years to be quoted as per **Financial Bid Format** given in TOR.
23. OEM will be required to furnish mill inspection/Quality certificates of Drilling & Well Control simulator and allied equipments with shipping documents. Confirmation to this effect should be provided in technical offer.
24. OEM must quote separately adequate two (02) year recommended OEM spares comprehensively against each offered equipment as per SOR specifically giving part number, unit price, and quantity required for 02 years. OGDCL has the right to increase/ decrease quantity as per its own requirement. In case any equipments/items in the SOR do not require any spares, please specify categorically against respective item(s).
25. The OEM is required to furnish undertaking confirming availability of spare parts for the offered equipment for the next five (05) years.
26. OGDCL will provide a full air conditioned room with necessary power sockets having approximate area of 55 -60 sq.meter (25' x 25') for the installation of offered Drilling & Well control simulator.
27. Successful installation/commissioning & functioning of all the equipment & its software's up to the OGDCL Satisfaction will be the sole responsibility of contractor.

28. OGDCL will not provide any type of specialized tools and consumables required for successful installation/ commissioning of the equipments. OGDCL will however, provide forklift for unloading and installation/ commissioning of the equipment.
29. All the equipment should be boxed and packed as per international packing standard in compact manner to ensure safe transportation during shipment.
30. All offered equipments should be manufactured as per relative applicable API/ISO/IADC/IWCF specs.
31. 04 (four) sets (hard copies) as well as four (04) soft copies (readable CD/USB) each for operation, service & trouble shooting manuals and part catalogues of each equipment to be provided by the OEM with the consignment.
32. Payment will be made as follow:-

- **Cost of Hardware Equipment/Material (Complete in all respect) including two years spares**

- Eighty (80) percent of Material LC/Purchase Order Price shall be paid by OGDCL on shipment of the complete material. The payment under the L/C shall be effected upon submission of following documents upon each shipment of material component:
 - Original Clean board ocean vessel Master Bill of Lading (For Imported Material) and Delivery Challan & Truck Receipt (For local Material).
 - Original detailed invoice showing material description, quantity unit price and total price strictly in line with the Contract.
 - Packing list
 - Certificate and list of measurements and weight gross/net.
 - Mill Inspection/Quality Certificate.
 - Insurance declaration.
 - Warranty Certificate
 - Certificate of origin.
 - Third Party Inspection report/certificate issued by any one of the following:
 1. M/s TUV Rheinland.
 2. M/s SGS
 3. M/s TUV Austria (Formerly Moody Intl)
 4. M/s Velosi
 5. M/s Bureau Veritas

- Twenty (20) percent of the Material LC/Purchase Order Price shall be released under the L/C after successful commissioning, performance testing and issuance of Provisional Acceptance Certificate (PAC) by OGDCL upon submission of Invoice(s) duly verified by OGDCL.
 - **Cost of Software (Complete in all respect)**
 - Payment will be made upon successful commissioning performance testing and issuance of PAC.
 - **Cost of Installation, Commissioning, Configuration, Start-up and performance testing of simulator System (complete in all respect).**
 - Payment will be made upon completion of services & issuance of PAC.
 - **Cost of Post installation Maintenance Services and support (if required)**
 - Payment will be made at the end of each quarter as per actual services provided by vendor. If no services are provided in any quarter, then payment will not be made.
 - **Cost of Professional Development Program**
 - Payment of Training of OGDCL professionals at OGDCL Training Institute will be made after completion of 03 months training. (From IWCF certified Trainer hired by vendor) 02 Trainings in each month for 05 days.
33. Case will be processed on single stage – two envelop bidding procedure as per PPRA Rules.
 34. Bid shall remain valid for a period of 180 Days from the date of technical bid opening.
 35. Bid Bond for **USD 40,000/- (US Dollars Forty Thousand Only)** shall remain valid for a period of 210 Days from the date of technical bid opening.
 36. 10% performance bond as per attachment no. 01 in case of award shall remain valid for a period of 24 Months from the date of Successful Commissioning, performance testing and issuance pf PAC.
 37. Supplier is required to complete the delivery of equipment/material/hardware in **four (04) months** on CFR Karachi by Sea basis from the date of establishment of LC by OGDCL.
 38. Supplier will be required to complete installation and commissioning services within **three (03) months** from the date of issuance of service order by OGDCL. For Installation and commissioning services separate services LC shall be established.
 39. In case of any unjustified prolonged delay in providing installation, commissioning services, OGDCL reserves the right to complete the installation / commissioning at the risk and cost of supplier.
 40. Post installation Maintenance Services and support for five (05) years period will start from the end date of warranty period.
 41. Two years Warranty period will start from the date of successful commissioning and performance testing and issuance of PAC.

42. The bidder shall provide the cost of software for five years. After five years the price shall not exceed 10% of the fifth years software cost.
43. The prices shall include all applicable taxes within and outside Pakistan as per attachment no. 02.
44. OGDCL reserves the right to increase / decrease the quantity / scope / TOR at any time without assigning any reasons.
45. **Financial Bid format** is given below:-

#	Description	Total Cost FOB (USD)	Total Cost CFR Karachi by Sea (USD)
1	Cost of Hardware (Complete in all respect) Please attach item wise BOQ i.e. priced with financial bid and un-priced with technical bid.		
2	Cost of Software (Complete in all respect) for five years		
3	Installation, Commissioning , Configuration, Start-up and performance testing of simulator System complete in all respect as per BOQ		
4	Post installation Maintenance Services and support for five years after a warranty period of two years.		
5	Cost of Training / Professional Development Program		
	<ul style="list-style-type: none"> o Training of OGDCL professional at OGDCL Training Institute for 03 months (From IWCF certified Trainer hired by vendor) 02 training in each month for 05 working days (if required) 		
6	Cost of Two Years Spares. Please provide item wise list.		

Note: Commercial Evaluation will be made on the prices of all items from sr. no. 01 to 06 above. Bidder shall quote complete items in BOQ. In case of non-compliance, bid shall be rejected.

**TECHNICAL EVALUATION CRITERIA FOR DRILLING & WELL CONTROL
SIMULATOR**

Technical Evaluation Criteria (85 % marks to be Obtained for technical qualification).

S.No.	Description	Marks
1.	Delivery period is 4 months for all the equipment and spares or less C&F by sea Karachi after L/C establishment.	10
	Delivery period more than 4 & up to 5 months (Maximum) C&F by sea Karachi after L/C establishment.	5
2.	In case the bidder and the Manufacturer are different, then the bidder must provide an Authority letter/OEM certificate (in original) from the Manufacturer to the Bidder and from Bidder to the Local Agent for quoting against the subject tender with the technical bid. The letter must be on company letter head, showing the name and contact details (E-mail & fax number) of the signing authority so that same may be got verified through email or fax.	10
	No Authority letters provided.	0
3.	The manufacturer must have minimum Twenty (25) years' experience in manufacturing of Drilling & Well Control Simulator and have supplied offered and similar to multinational E & P and drilling contractor companies in excess of 1000 sets during last 25 years. In this regard, bidder(s) should provide comprehensive detailed supply record of last twenty five (25) years on year wise basis. The supply record should contain details of offered and similar Drilling & Well Control Simulators, quantity, name of customer/ country & contact address should be submitted with technical offer. The supply record must be on the company letterhead and should indicate the Name & Designation of the signing authority along with his complete contact details phone & fax numbers and his official email address.	15
	Less than required Sale Record and Experience as mentioned above.	0

4.	<p>The Manufacturer/Bidder must submit with technical bid, the printed Annual Audited Accounts reports of Manufacturer for the last 3 consecutive years in order to verify the liquidity position, revenues, profitability of the company. In case these reports are not in English Language, then in addition to these printed reports the English translation of the same must also be submitted with the technical bid, with each page to be signed and stamped by Notary Public to be certified as a true copy of the original.</p>	10
	Two years Audited Accounts Report submitted.	5
5.	<p>If manufacturer has not supplied the Drilling & Well Control Simulator to OGDCL then certificate(s) of satisfactory performance for successful completion, installation, commissioning and operation of equivalent configuration drilling simulator in favour of manufacturer issued by authorized official(s) of at least 05 (Five) different major/ leading international E&P companies like SHELL, BP, ADCO, ADNOC, ARAMCO, EXON, CHEVRON, KOC, PDO, ADNOC, ENI, MOL or equivalent stature E & P Company will be required during last (25) Twenty five years for offered & Equivalent configuration Full scale Drilling & Well Control Simulator should be submitted with technical offer. The certificates must be on the company letterhead and should indicate the Name & Designation of the signing authority along with his complete contact details phone & fax numbers and his official email address. If manufacturer has already supplied similar Full Scale Drilling & Well control simulator to OGDCL then its performance will be evaluated on in house report.(Documentary evidence to prove the equivalent stature of the E&P company other than specified will be required along with technical bid, To ascertain the equivalency of E & P companies other than specified above will be OGDCL sole discretion)</p> <p><u>Certificates issued by supply houses etc. will not be considered.</u></p>	15
	Less Certificates, on the required format, submitted. / Unsatisfactory In-house Performance.	0

6.	<p>The Manufacturer of Drilling & Well Control simulator should have sold at least 100 offered/ Equivalent configuration Full Scale Drilling & Well Control Simulator to multinational E & P and drilling contractor companies during last 25 years. In this regard, bidder(s) should provide comprehensive detailed supply record of last twenty five (25) years on year wise basis. The supply record should contain details of the sold full scale Drilling & Well Control Simulators, quantity, name of customer/ country & contact address should be submitted with technical offer. The supply record must be on the company letterhead and should indicate the Name & Designation of the signing authority along with his complete contact details phone & fax numbers and his official email address. More over bidder to provide at least 10 un priced copies of purchase orders of equivalent configuration drilling simulator sold to E & P and Drilling Contractor companies only.</p>	10
	<p>Minimum 50 offered/Equivalent Configuration Full Scale Drilling & Well Control Simulators sold & 5 Un-Priced copies of Purchase orders provided.</p>	5
7.	<p>The Manufacturer of the offered Drilling & Well Control simulator must have relevant valid IWCF & IADC Certification. In this regard relevant IWCF & IADC certification to be submitted with the technical Bid.</p>	10
	<p>No IWCF & IADC Certification submitted.</p>	0
8.	<p>Technical specifications of the offered Drilling & Well Control Simulator & allied equipments should meet the entire OGDCL technical specifications requirement.</p>	20
	<p>Any deviation from the Technical specifications.</p>	0

**SCOPE OF WORK/TECHNICAL SPECIFICATIONS FOR FULL SIZE
DRILLING AND WELL CONTROL SIMULATOR**

No.	DESCRIPTION	OFFERED SPECIFICATIONS (EXACT SPECIFICATIONS OF OFFERED SIMULATOR TO BE FILLID IN, ONLY WRITING "OK" OR "CONFORM" WILL NOT BE ACCEPTABLE.
	Scope of work	
	a) To supply one full size Drilling and Well Control Simulator with hardware panels, as per technical specifications, for training in onshore operational environment. The Simulator should meet the same modeling capability as a rig floor and it should meet the functional requirements of IADC and IWCF. b) Installation, Commissioning, and Training. c) Training & Back up support plan d) Supply of spares	Offered Model & Make of Simulator
1.	Technical Specifications	
1.1	Operational Capability:	
i.	The Simulator should be capable of providing a wide range of Drilling operations including Well Control, Stuck pipe, Tripping, Competency Base Training and Assessments, Crew Resource Management (CRM) and Team Based Training (TBT) utilization covering a wide range of training for various Oil and Gas positions. It should possess the following characteristics:	
ii.	Availability of various hardware components depending on the drilling operation	
iii.	It can be used for Drilling and Well Control operations	
iv.	Robust software, Downhole mathematical model including clear descriptive 3D graphics features	
v.	The simulator operates in real time, slow rates and multiple speed time options	
vi.	Multiple users can be trained using the simulator	
1.2	Simulator Equipment Description:	
i.	With advances in notebook/desktop technology, the Simulator software is expected to run on notebook/desktop PCs.	
1.3	Simulator Hardware Components: Primary Components:	
i.	Drilling Controls and Drilling Gauges Consoles	
ii.	Remote Choke (Swaco type)	

iii.	Surface BOP Console (Air) (Kooomey)	
iv.	Full Size, Standpipe Manifold (Vertical with Aluminium frames)	
v.	3D Graphics hardware (Visual display screens) and supporting framework	
vi.	Full Size, Choke Manifold (Vertical with Aluminium frames)	
vii.	Driller's Support Station	
viii.	Top Drive Cabinet for Drilling Controls	
ix.	Surface Diverter	
x.	Simulator Supporting Flooring	
xi.	UPS (240v AC)	
xii.	Simulator Spares kit (02 YEARS NECESSARY SPARES)	
xiii.	Simulation Computer Equipment and Accessories (Printer, Laptops, PCs etc.)	
xiv.	Instructor Station	
xv.	Office Desk	
xvi.	PC with dual 19" LCDs	
xvii.	A4 Colour Laser Printer	
xviii.	Student Station - PC with 19" touch screen LCD	
xix.	Graphics Station	
xx.	High Performance Image Generator PC	
xxi.	1x 40" industrial LCD panel	
xxii.	Sound System - 6 speaker surround sound system	
xxiii.	Router – connected to a client supplied VPN	
1.4	Additional Hardware Components	
i.	Remote Choke, BOP, Manifolds in HMI Touchscreens	
ii.	Simulator Cyber base Drillers Chair and Consoles	
iii.	<p>The simulator equipment components should comprise the following Hardware Panels of;</p> <ul style="list-style-type: none"> • The Remote Choke Panel • Driller's Controls • Driller's Gauges • Manifolds • Surface BOP and Diverter Panels 	
1.5	<p>The Remote Choke Panel</p> <p>The design of the Remote Choke Control Console is expected to resemble a Swaco/Geolograph remote choke console including instrumentation and controls.</p>	
1.5.1	The Remote choke Controls should possess the following components	

i.	Choke operation lever Open/Close valve	
ii.	Rig Air on/off handle control valve	
iii.	Choke hydraulic speed regulator	
iv.	Pump 1/2 Selector Switches	
v.	Choke Selector Switch	
vi.	Pump selection push buttons	
vii.	Total Strokes Reset button	
1.5.2	Remote Choke Gauges and Displays	
i.	Drill pipe Pressure analogue gauge	
ii.	Casing Pressure analogue gauge	
iii.	Choke Position Indicator analogue gauge	
iv.	Digital Display for the Pump SPM	
v.	Digital Display for Total Strokes	
1.5.3	Software features with the utilization of the Remote choke panel should give;	
i.	Accurate downhole pressure response to choke movement and choke position	
ii.	Accurate response of surface pressure gauges to downhole pressure effects (Kicks and Losses)	
iii.	Accurate Annulus and Drillpipe pressures reading and effects from downhole problems such as Plugged bit etc.	
iv.	Accurate Surface line volume to total stoke readings on the Choke panel	
v.	Visual Panel display on the instructor PC	
1.6	Driller's Panel/console. The Driller's Panel should be made up of the Drilling operational controls and should be capable of carryout the following operations;	
i.	Kelly or Top Drive Hardware Selection	
ii.	Top Drive Link Tilt	
iii.	TDS Makeup	
iv.	Set / Remove Slips	
v.	Make / Break Connections	
vi.	Load / Unload Mouse Hole	
vii.	Latch / Unlatch Elevators	
viii.	Elevator tilt, extend and float	
ix.	Swing Travelling Block Left / Right	
1.6.1	Pipe handling controls should consist of:-	
i.	Set/Remove Slips	
ii.	Load/Unload Mouse-hole	
iii.	Make/Break Connection	
iv.	Swing Left/Right	
v.	Latch/Unlatch Elevators	
1.6.2	The Driller's Panel should have a Top Drive Module with the following features;	

i.	The Top Drive torque	
ii.	Top Drive RPM Gauge	
iii.	Top Drive Torque Make up Limit Dials	
iv.	TDS/Rotary table (Kelly) power selector	
v.	TDS Spin selector (Drill, Spin, Torque), TDS Lamps (Oil pump)	
vi.	Blower	
vii.	Temperature Indicator	
viii.	TDS Purge	
ix.	Panel purge	
x.	IBOP Selector (on/off)	
xi.	TDS Break out Button	
xii.	TDS Break switch (on/off)	
xiii.	TDS and Elevator Link tilt Push button	
1.6.3	Driller's Gauge Console The Driller's gauge console should consist of the following component instrumentation;	
i.	Analogue Gauges	
ii.	Mud Pump 1/CP	
iii.	Mud Pump 2	
iv.	Mud Pump 3	
v.	Casing Pressure	
vi.	Drill pipe Pressure	
vii.	Rotary RPM	
viii.	Top Drive gauges (RPM and torque)	
ix.	Total Mud Volume	
x.	Pit Deviation	
a.	With alarm switches selectors to adjust the High and Low alarm limits of the tank	
b.	A pit deviation gauge to monitor fluid Losses and Gains within the tank	
c.	A Pit Deviation alarm indicator lamp	
d.	Alarm sound activation and inhibition switch	
e.	A push buttons to reset/zero the pit deviation	
xi.	Return flow	
a.	With alarm switches selectors to adjust the high and Low alarm limits of fluid return flow	
b.	An alarm indicator lamp	
c.	Alarm sound activation and inhibition switch	
d.	Percentage scale	
xii.	Trip tank	
a.	With alarm switches selectors to adjust the high and Low alarm limits of the trip tank	

b.	A trip tank alarm indicator lamp	
c.	Alarm sound activation and inhibition switch	
d.	Push buttons to turn on/off the trip tank transfer pump	
e.	Push buttons to open/close a valve to fill the trip tank	
f.	Push buttons to open/close a valve to dump the fluid within the tank	
xiii.	Strip tank gauges and controls	
a.	With alarm switches selectors to adjust the high and Low alarm limits of the strip tank	
b.	A strip tank alarm indicator lamp	
c.	Alarm sound activation and inhibition switch	
d.	Push buttons to turn on/off the strip tank transfer pump	
e.	Push buttons to open/close a valve to fill the strip tank	
f.	Push buttons to open/close a valve to dump the fluid within the tank	
xiv.	An EB type Totco Martin Decker gauge with two independent needles providing the Hook load and the Weight on Bit value.	
xv.	Digital data displays of the value of the Mud flow both pump SPM and total strokes.	
xvi.	A stokes reset button for the Digital SPM and Fill Mode.	
xvii.	Driller's Data Display screen with Tripping and Drilling data with a three way switch (tripping, Drilling and switch-off data screen).	
xviii.	Availability of a 2D graphical support screen with representation of various components (Downhole data, surface Manifolds valve positions, Derrick data – string height, Drilling Jar etc.) on the rig.	
xix.	Mud tanks activation on/off switches	
a.	Availability of 5 mud tanks (4 Active tanks and one reserve tank).	
b.	Configuration of Mud Tank capacity	
c.	Auto Mud Density Control feature	
d.	Increased effect of settled solids within the mud tank	
e.	Improved Drilling fluid Rheology effect downhole	
f.	Improved effect of Yield Point and fluid Plastic Viscosity on drilled cuttings	
g.	Accurate dilution of tank's content and water flow rate configuration	
h.	Solid control efficiency	

i.	Return line maximum flow rate	
j.	Effect of drilling fluid transfer of different mud weight from Reserve tank into active tank	
k.	Accurate flow-out, flow-in variation of mud pumps set to configured SPM	
xx.	Reserve Tank	
a.	Configuration of Reserve Tank capacity	
b.	Transfer of drilling fluid directly to drill string	
c.	Control of transfer pump rate from Reserve tank to Active tank	
d.	Accurate flow out (Reserve tank volume) to flow in (Active tank volume)	
1.7	<p>Manifolds Console</p> <p>The Manifolds available are;</p> <ul style="list-style-type: none"> • Standpipe Manifold • Choke Manifold 	
1.7.1	<p>Standpipe Manifold</p> <p>The Standpipe manifold should consist of the following;</p>	
i.	The use of the Mud pumps 1, 2, and 3.	
ii.	Pressure readings from pressure gauges on Standpipe 1 and Standpipe 2.	
iii.	Pump 1, 2 and 3 discharge lines	
iv.	A Bleed-off Line	
v.	Valve access to flow of Kill mud down the Kill line into the annulus	
vi.	Various fluid flow path utilizing the valves for flow alignments	
1.7.2	<p>Choke Manifold</p> <p>The Choke manifold should consist of the following;</p>	
i.	Two pressure readings gauges on the Choke Manifold	
ii.	Dual Remote Choke option with one manual choke with Isolation Valves	
iii.	Various valve line up options for flow alignments	
iv.	Flow path to Mud Gas separator	
v.	Flow path to flare	
vi.	Manual Choke, Remote Choke, Bypass Lines	
vii.	One by-pass line with two isolation valves	
viii.	One Connection from the Standpipe Manifold	

ix.	One Choke Line Inlet	
x.	One Kill Line Inlet	
xi.	Degasser Isolation Valve	
xii.	Flare Isolation Valve	
1.8	<p>BOP, Diverter Operation and Well Control System</p> <p>The Blowout Preventer (BOP) and Diverter and grouped into two types;</p> <p>A. Surface BOP B. Surface Diverter</p>	
1.8.1	<p>Surface BOP</p> <p>The BOP stack should come with configurable pressure ratings capacities within the simulator.</p>	
1.8.1.1	<p>Surface BOP Stack Controls & Instrumentation</p> <p>The Surface BOP Control Console should consist of the following controls and instrumentation:-</p>	
i.	Accumulator Pressure Display	
ii.	Annular Pressure Display	
iii.	Manifold Pressure Display	
iv.	Flow Meter	
v.	Accumulator Pump Running Lamp	
vi.	Flow Meter Reset	
vii.	<p>Push to Operate Control</p> <p>To initiate/activate any of the two categories of the BOPs, it is important to sequential operate the BOP using the “Push to Operate” valve and then operating any of the BOP Annular or Ram types valve to either open/close the valve.</p>	
viii.	Annular Preventer Control	
ix.	Controls for 3 Pipe Rams	
x.	Blind Ram Control	
xi.	Kill Line Control	
xii.	Choke Line Control	
xiii.	Rig Air Pressure	
1.8.1.2	<p>Below are some features and capabilities required of the BOP</p>	
i.	Permits the flow of fluid through the Choke line and Kill line by using a “Push to Operate” lever and activating the Open/close lever with illuminating lights to indicate Choke line/ Kill line valve position.	
ii.	Choke inlet and isolation valves	
iii.	Drill String Valves (Float, IBOP & Safety Valves)	
iv.	Accurate modeling of accumulator response including	

	sounds	
v.	Configuration of BOP Maximum working pressure	
vi.	Configuration of BOP Lamps colour options for surface systems	
vii.	Gas trap option within shut-in BOP Rams or Annular	
viii.	Configurable Multiple BOP Pipe Rams Size options	
ix.	Configurable Pipe Ram Opening Ratio and Closing Ratio	
x.	Configurable Shear Ram Opening and Closing Ratio	
xi.	Configuration of Opening and Closing volume of annular, Rams, Kill Line and Choke Line Valves	
xii.	Configuration of maximum Drill string hang off weight on BOP Rams	
xiii.	Drill string Drag for both Annular and Rams	
1.8.2	<p>Surface Diverter – Top Hole section (shallow gas zone)</p> <p>The Diverter should consist of a three way valve with two discharge outlets;</p>	
i.	The Port Overboard and	
ii.	The other Starboard Overboard	
2.	SOFTWARE	
2.1	<p>Simulator Software Licenses</p> <p>The simulator is required to come with software licenses that would enable the simulator carryout various Drilling and Well Control operations.</p> <p>The simulator software is expected to have the following features and capabilities listed below;</p>	
i.	Independent formation pressure gradient (not cumulative) providing a better transition zone characteristic	
ii.	Formations and wellbore characteristics details (LOT at casing shoe, Temperature and Pressure of different depths)	
iii.	Casing characteristics, wellbore sizes and tools	
iv.	Easier accessibility to different rig packages and experience	
v.	Distinct Formations and lithology characteristics	
vi.	Geology - Formation Stratification and beddings	
vii.	Kicks from High Pressure Permeable Formations	
viii.	Kicks while Drilling, Tripping and POOH	
ix.	Stuck pipe (Jarring, key seating, Differential sticking,	

	sloughing etc.)	
x.	Managed Pressure Drilling (MPD) module	
xi.	Diverter – Top hole Drilling (Shallow Gas)	
xii.	3D Graphics	
xiii.	At least 150 simulator operator tests features between surface and Downhole tools, rig equipment, and valves; including kick drill, return flow, hydrates plugging & choke issues and other simulated malfunctions.	
xiv.	Conduct drilling operation on Land Rigs types, including both Kelly & TOP Drive rotary options.	
xv.	Improved Gas Behavior on Downhole pressure response	
xvi.	Tubular – Additional Drill string components configuration	
xvii.	Simulation of operating test scenarios.	
xviii.	Pressure Testing	
a.	BOP Pressure Testing	
b.	Use of Cup tester	
c.	Use of Test Plug	
d.	Choke and Standpipe Manifold valves	
xix.	Auxiliary Equipment (Mud bucket)	
xx.	Drilling Fluids	
a.	Water Base Mud with configurable options of;	
b.	Non-Gas Expansion when well is shut- in	
c.	Gas Expansion when well is shut-in	
d.	Oil Base Mud	
xxi.	Rotary Drilling	
a.	Top Drive System (TDS)	
b.	Kelly System	
2.1.1	Additional Simulator Software Functionality During the course of conducting an exercise, depending on the conditions selected, the simulator is expected to be capable of modeling combinations of the following effects:-	
i.	Managed Pressure Drilling (MPD)	
ii.	Underground Blowout	
iii.	Running and Setting the Casing	
iv.	Enhanced Hole Cleaning and Solid Controls	
v.	Tripping In and Out	
a.	• Adding and removing a stand of pipe	
b.	• Adding and removing a single pipe	
vi.	Forward and Reverse Circulation	
vii.	Leak Off Test (LOT)	
viii.	Session Chart Plotter	

ix.	Simulator's ability to simulate over-pull & stretch model built within the software	
x.	Hydraulic Jar Model built into the software	
xi.	Inflow test for communication between casing and formation	
xii.	Equivalent Circulating Density (ECD) monitoring.	
xiii.	Pressure test against closed valves on Blowout Preventer (BOP) and manifold	
xiv.	Hydrate suppression – addition of glycol tank, pumps and student controls	
xv.	BOP, safety head and well head leaks	
xvi.	Formation Geology	
a.	Different Formation layers with different properties	
b.	Visual Stratigraphy and texture of the Formations	
c.	Independent modification of the lithostratigraphy of the Formation	
d.	Pressure effect of the overburden formation layers are not cumulative	
e.	Independent determination of formation pressure	
f.	Easier visible effect of Transition zone and overpressure zones	
g.	Configuration of Rock Strength	
h.	Configurable Bit Abrasion rate	
i.	Loss Circulation and Reservoir Zones up to 30 formations	
j.	Multiple Reservoir and kick zones up to 30 formations/layers	
k.	Easier calculation of formation pressures	
l.	Presence of individual formation structures including features	
m.	Availability of Negative Drilling Break	
n.	Availability of Positive Drilling Break	
o.	Configuration of Multiple loss zones	
p.	Accurate downhole pressure effect	
q.	Accurate effect of Drilling fluid density	
r.	Instructor station visual of BHP to Formation pressure valuation	
s.	Formation Fracture	
xvii.	Undergauge hole	
xviii.	Stripping Operation	
xix.	Surge and Swab effect	
xx.	Circulating System	
a.	Mud Properties	
b.	Water Based Mud	
c.	Oil Based Mud Model	
d.	Density, PV & YP	
e.	Density Tracking	
f.	Trip & Strip Tanks	

g.	Mud model with improved plastic viscosity and gel strength	
h.	Oil-based mud model with graphical display of Oil-Gas ratio	
xxi.	Fluid Alignment System	
a.	Simulate fluid flow through Standpipe Manifold	
b.	Simulate fluid flow through Choke Manifold	
c.	Simulate fluid flow through Return flow line, Trip tank and Strip tank	
xxii.	Mud Tank	
a.	Configuration of Mud Tank capacity	
b.	Auto Mud Density Control feature	
c.	Increased effect of settled solids within the mud tank	
d.	Better containment of cuttings flowing back to the surface	
e.	Improved Drilling fluid Rheology effect downhole	
f.	Improved effect of Yield Point and fluid Plastic Viscosity on drilled cuttings	
g.	Accurate dilution of tank's content and water flow rate configuration	
h.	Solid control efficiency	
i.	Return line maximum flow rate	
j.	Effect of drilling fluid transfer of different mud weight from Reserve tank into active tank	
k.	Accurate flow-out, flow-in variation of mud pumps set to configured SPM	
xxiii.	Reserve Tank	
a.	Configuration of Reserve Tank capacity	
b.	Transfer of drilling fluid directly to drillstring	
c.	Control of transfer pump rate from Reserve tank to Active tank	
d.	Accurate flow out (Reserve tank volume) to flow in (Active tank volume)	
2.1.2	<p>SIMULATOR HARDWARE AND SOFTWARE TESTING</p> <p>The simulator is expected to have software and hardware diagnostic capabilities to test all the simulator physical hardware consoles comprising of gauges, switches, lamps and controls to be tested via a diagnostic interface. This simulator test would confirm the operational functionality of the hardware components and the operational performance of the Simulator software.</p>	

2.1.2.1	<p>SIMULATOR OPERATOR TEST</p> <p>The simulator should have the capabilities to conduct the following tests;</p> <ul style="list-style-type: none"> • Surface Equipment Test • Downhole Test <p>Below are some operator tests required from the simulator</p>	
2.1.2.2	<p>SURFACE EQUIPMENT</p> <p>BOP (Surface) – Actuator Failure, Leak</p>	
i.	Annular Preventer	
ii.	Upper Pipe Ram	
iii.	Shear / Blind Pipe Ram	
iv.	Middle Pipe Ram	
v.	Lower Pipe Ram	
vi.	Rotating Control Device (MPD)	
vii.	Accumulator	
a.	Kick Drill Test	
i.	Kick Drill	
ii.	Active Tank	
iii.	Trip Tank	
iv.	Volume	
v.	Rate	
b.	Return Flow	
i.	Increase fluid rate	
ii.	Decrease fluid rate	
iii.	Fluctuation in volume	
iv.	Percentage	
c.	Pressure Testing – Leaking Factor on;	
i.	Standpipe Manifold	
ii.	Choke Manifold	
iii.	Top Drive and Kelly (Leak)	
iv.	Top Drive Swivel	
v.	Top Drive IBOP	
vi.	Top Kelly Cocks	
vii.	Bottom Kelly Cocks	
d.	Rig Equipment	
i.	Rig Water Supply Fail	
ii.	Rig Air Fail	
iii.	Rig Alarm Fail	
iv.	Rig Electrical Supply Fail	
v.	Rig Hydraulic Supply Fail	
e.	TDS	
i.	Drive Motor Limit Override	

ii.	Torque Fluctuation	
iii.	Drive Motor Failure	
iv.	Load Torque Increase	
v.	Gauge Fluctuation	
f.	Mud Pumps (1, 2 and 3)	
i.	Power Failure	
ii.	Blow Pop-offs	
g.	Choke (Remote and Manual)	
i.	Wash Out	
ii.	Plugged	
h.	DOWNHOLE MALFUNCTIONS Differential Sticking Malfunction	
i.	Stuck Depth	
ii.	Slack off Weight to Free	
iii.	Rotating Torque to Free	
iv.	EMW to Free	
i.	Pipe Twist-off and Washout	
i.	Pipe Washout	
ii.	Pipe Twist Off	
iii.	Length from Bottom	
iv.	Washout Time to Part	
j.	Key Seat - Sticking Malfunction	
i.	Key seat Thickness	
ii.	Top Key Seat Depth	
iii.	Minimum Over pull to Ream	
iv.	Over pull to Stuck	
v.	Top Collar Depth	
vi.	To Stabiliser Depth	
k.	Drill Bit	
i.	Bearing Wear	
ii.	Balled Bit	
iii.	Bit Washout	
iv.	Drilling on Junk	
v.	Washout - Nozzle(s)	
vi.	Plugged - Nozzle(s)	
vii.	Bit Tooth Wear	
viii.	Float Leaking	
l.	Hydrates Plugging	
i.	Remote Choke - Left Hand	
ii.	Manual Choke - Left Hand	
iii.	Manual Choke - Right Hand	
iv.	Remote Choke - Right Hand	
v.	Bottom of Choke Line	
vi.	Bottom of Kill Line	
vii.	Bottom of BOP	

2.1.3	<p>3D GRAPHICS</p> <p>The Simulator is expected to provide detailed graphics image description in 3D of both rig surface and Downhole (subsurface) with realistic rig environment and visual simulation of Drilling operational activities.</p> <p>Below are some characteristics visual features expected of the 3D graphics;</p>	
i.	Different viewing options of both the Surface and Downhole graphics	
ii.	Live visual graphical changes to the manifolds (Choke and Standpipe), Remote choke while being operated	
iii.	Clearer, distinct and well detailed surface and Downhole equipment.	
iv.	Visual movement of Downhole tools (BHA components, drill pipes etc.)	
v.	Visual formation fracture and loss and flow of drilling fluid into formation	
vi.	Clear distinct, drilling fluid flowing down the drill sting and moving up the annulus	
vii.	Clear visual Downhole Influx of formation fluid (Gas, Oil or Water) migration and expansion upwards movement around the drill string and up the annulus	
viii.	Provide visuals of drilling operation experience of Jarring, Tripping, pipe racking procedure, function and operation of the iron roughneck and tongs (make-up and break-up) of the drill pipe	
ix.	A rig fly-around display screen including a joystick to view the rig's surface and Downhole graphics	
x.	Spill of drilling fluid on the rig floor (e.g. not turning off the mud pump before disconnecting the drill pipe)	
xi.	3D view of Mud Bucket, BHA components (Drill Bit, Drill collar, HWDP, DP etc.)	
2.1.4	<p>SIMULATOR SOUND SYSTEM</p> <p>There should be at least 14 different rig sounds modeled within the simulator to produce sounds which emanate from a number of speakers strategically positioned within major hardware panels and components providing a surround sound system within the simulator environment. Some of the sound effects expected to be generated by the system are classified as follows;</p>	

i.	Prime movers (diesel powered) Generator Noise	
i.	Drawworks Motor	
ii.	Drawworks Cooling Motor Fan	
iii.	Drilling Line Spooling Out	
iv.	Rotary Table	
v.	Mud Pump Operation (1/CP, 2 and 3)	
vi.	BOP Hydraulic Pump	
vii.	Choke Operation	
viii.	Accumulator Pump Operation	
ix.	Elevators Latch	
2.1.5	CHART PLOTTER / DATA LOGGER The Drilling and Well Control Chart Plotter should;	
i.	Provide a graphical representation of different drilling parameters in real time generated within the simulator due to the drilling operational activities.	
ii.	Have a multi-coloured printer with auto sheet paper feed	
iii.	Have the following details on the printed chart;	
iv.	The name of instructor	
v.	The name of the trainee/student (Driller and Supervisor)	
vi.	The centre/company name	
vii.	Legend of the coloured chart	
viii.	Scale of the coloured chart	
ix.	Date of the exercise	
x.	Title of operation (Well Control/Drilling etc)	
xi.	X – axis scale with in Time and strokes options available	
xii.	Have default chart plotter configurations within the simulator;	
a.	Drilling Mode	
b.	Well Control mode	
a.	Drilling Mode (Default configuration)	
i.	Hook Load/Weight on Bit (WOB)	
ii.	Rate of Penetration (ROP)	
iii.	Rotary Table Speed (RPM)	
iv.	Rotary Torque	
v.	Pump (Total) Stroke Rate (SPM)	
vi.	Standpipe Pressure	
vii.	Pit Deviation (Gain or Loss)	
viii.	Pit Volume	
b.	Well Control Mode (Default configuration)	
i.	Pump Stroke Rate/Volume Pumped	
ii.	Pit Deviation (Gain or Loss)	
iii.	Casing Shoe Pressure	

iv.	Drill pipe Pressure	
v.	Casing Pressure	
vi.	Bottom Hole Pressure	
vii.	Pore Pressure/Formation Pressure	
viii.	Choke Position	
ix.	Pit Volume	
xiii.	The chart should also be configurable (customized) for specific drilling parameter outside the two baseline configurations available that best meets the task intending to be solved.	
xiv.	The Simulator is also expected to be able to configure more than 10 different drilling parameters per configured chart.	
xv.	Below are some additional featured / characteristics expected from the Chart Plotter;	
xvi.	Ability to change preconfigured parameters during the simulation without pausing the plot. Such as individual parameter color and scale size.	
xvii.	While plotting, ability to add parameters to the chart plotter without interfering with the plot	
xviii.	Clear distinct chart plotter interface with clear distinguishing parameter features such as colour.	
xix.	A clearly defined scale of selected parameter on the Y-axis of the chart	
xx.	Individual selected parameter scale can be saved and printed while plotting	
xxi.	Recorded/saved plot can be viewed, saved, and printed at least after 10 seconds of starting the simulator recorder	
xxii.	Previously saved Chart Recorder plots can be retrieved from the plotter interface	
xxiii.	The width size of individual parameters trends lines on the chart should be reconfigurable and changeable during the simulation without affecting the recording plot	
xxiv.	The Recorder screen should have a feature to zoom the chart and the chart plots can be viewed at specified zoomed time frame.	
xxv.	A specific selected time frame view of the plot should be viewed closely in as close as 10 seconds and zoomed out up to 8 hours	
xxvi.	The Chart Recorder should continuously be operational for a minimum duration of 6 hours	
xxvii.	Easy identification of configured plotter parameters with visible individual parameter properties	

xxviii.	Availability of a printout function, identification of selected parameter scale on the Y-axis, parameter units and individual scale properties on the chart	
xxix.	Availability of additional preconfigured parameters (Drilling, Well Control and Tripping) with a custom configuration available for personal parameter configuration	
3.	TRAINING APPLICATIONS	
i.	The Simulator is expected to meet the simulation equipment standards set by regulatory authorities worldwide.	
ii.	The simulator should be able to be used to conduct basic and advanced Drilling and Well Control Operational training.	
iii.	The simulator should be equipped with Instructor Facilities to enable a wide range of training exercises as described below to be performed.	
iv.	With the details of equipment and software provided above, the simulator is expected to be fully capable of conducting the following training courses listed below.	
3.1	TRAINING COURSES	
a.	Well Control – IWCF (Surface)	
i.	IWCF Drilling and Well Control Level 1	
ii.	IWCF Drilling and Well Control Level 2	
iii.	IWCF Drilling and Well Control Level 3 (Driller's)	
iv.	IWCF Drilling and Well Control Level 4 (Supervisory)	
b.	Well Control – IADC (Surface)	
i.	IADC WellSharp (Supervisory Level)	
ii.	IADC WellSharp (Driller Level)	
iii.	IADC WellSharp (Introductory Level)	
iv.	Drilling and Well control operations-	
c.	Drilling Practices	
i.	Tripping Operation best practices	
ii.	Formation Test	
iii.	(Leak-off Test (LOT), Formation	
iv.	Integrity Test (FIT))	
d.	Drilling Practices	
i.	Improved Drilling practices	
ii.	Pressure control, Top Hole Drilling – Shallow Gas (Diverter)	
e.	HPHT Wells	
f.	Stuckpipe Prevention: Stuckpipe operational activities.	
i.	Stuckpipe while Tripping	

ii.	Features such as; Hole Pack-off	
iii.	Differential Sticking	
iv.	Hole Cleaning	
v.	Jarring	
vi.	Tight hole – Key seating	
vii.	Wellbore Ballooning	
g.	<p>CRM and TBT</p> <p>The Crew Resource Management and Team Based Training are designed based on bespoke scenarios designed to identify and improve the following below;</p>	
i.	Talent Identification	
ii.	Team Building and Team Work	
iii.	Crew decision making skills	
iv.	Rig up time	
v.	Hazard Awareness (Increase Rig safety standards)	
vi.	Defines roles and Responsibilities	
vii.	Problem solving efficiency	
viii.	Learning from each other	
ix.	Communication, performance and proactive skills	
x.	Build Crew confidence and improve individual knowledge and skills	
3.2	<p>WELL CONTROL OPERATIONS TRAINING</p> <p>The Simulator is expected to meet worldwide regulatory requirements for simulating training equipment. The equipment and software should be able to simulate a wide variety of Well Control methods.</p> <p>The Simulator's software is expected to be able to configure and simulate;</p>	
i.	Multiple Reservoir (kick) zones	
ii.	Multiple Loss zones	
iii.	Underground Blowout	
iv.	Drilling into a Transition Zone	
v.	Positive Drilling Break	
vi.	Negative Drilling Break	
vii.	Effect of Influx characteristics as it Migrates up the Annulus	
viii.	Gas Expansion and Migration	
ix.	Water and Oil Migration	
x.	Gas, Oil and Water behavior depending on the Type of Drilling fluid	
a.	Water Based Mud	
b.	Oil Based Mud	

a.	Well Control The simulator should be capable of using the following procedures to kill the well;	
i.	Drillers Method	
ii.	Wait and Weight method	
iii.	Concurrent method	
iv.	Low Choke method	
v.	Volumetric method	
vi.	Bullheading	
3.2.1	The simulator should possess the functionality to configure, determine and identify various situations by which a kick can occur in the well such as;	
i.	Kicks while Drilling	
ii.	Kicks while Tripping	
iii.	Kicks while out of hole	
iv.	Kicks while running casing or liners	
v.	Kicks while cementing	
3.2.2	The characteristics of the type of kick should also be configurable. Some of the configuration expected to be made to the type of kick are;	
i.	Kick influx flow rate	
ii.	Kick influx Density	
iii.	Trapped Gas within Shut-in BOPs	
a.	Causes of Kicks The Simulator should provide features and capabilities to demonstrate the causes of kicks. The causes of kicks that should be configurable and demonstrated by the simulator are;	
i.	Insufficient Mud Density	
ii.	Loss of Circulation	
iii.	Abnormal Formation Pressure	
iv.	Failure to Fill the Hole on Trips	
v.	Swabbing	
b.	Kick Warning Signs Ability of simulator software to simulate kick warning signs which can be observed during drilling operations include: -	
i.	Penetration rate increase	
ii.	Increase in rotary torque	
iii.	Flow rate increase	
iv.	Pit gain	
v.	Increase in background gas	

3.2.3	During tripping operation, the Simulator should be designed to implements similar rig instrumentation and simulate equipment as used in the field. Such as, the utilization of a trip tank with multiple trip tanks options.	
i.	Trip tank: 1	
ii.	Trip tank : 2	
3.2.4	Simulate kick warning signs that can be observed during tripping operations include:	
i.	Trip tank volume increase	
ii.	Well-bore flow	
iii.	Loss of make-up fluid to the well	
3.2.5	Well Shut In Procedures The Simulator should provide the features to;	
i.	Practice soft shut in procedure and	
ii.	Hard shut-in procedures.	
3.2.6	Simulation speed	
i.	Increase simulation speed up to 50 times the real time rate.	
ii.	Reduce simulation speed below real time rate	
iii.	Run simulation speed in real time.	
3.2.7	Shallow Gas (Diverter Utilization)	
i.	The Simulator Diverter systems should enable the circulation of shallow gas.	
i.	Shut-in Procedures With BOP Stack In Place	
ii.	Lost Circulation	

PERFORMANCE BANK GUARANTEE

Oil & Gas Development Company
Limited OGDCL House, Jinnah
Avenue, Blue Area, Islamabad,
(Pakistan)

Dear Sir,

Ref; our Bank Guarantee No. _____ in the sum of
_____ Account _____ in consideration of you having
entered _____ into _____ Contract
No. _____ Dated _____ with _____ Called
Contractor and in consideration for value received from CONTRACTOR. We hereby agree and undertake as
followings:

1 To make unconditional payment to you as called upon of (10%) ten percent of the Contract value of the contract price mentioned in the said contract, on your written FIRST and SIMPLE demand without further recourse, question or reference to CONTRACTOR or any other person in the event of default, non-performance or non-fulfillment by CONTRACTOR of his obligations, liabilities, responsibilities under the said contract of which you shall be the sole judge.

2 The accept written intimation from you as conclusive and sufficient evidence of the existence of the default or breach as aforesaid on the part of CONTRACTOR and to make payment immediately and forthwith upon receipt of your FIRST and SIMPLE written demand.

3 This Performance Bond shall remain valid and in full force and effect upto _____ or issue of statement of discharge by your authorized representative or return of original guarantee whichever is earlier.

4 DEMURRAGE DUE TO DELAY IN RECEIPT / NEGOTIATION OF ORIGINAL SHIPPING DOCUMENTS.

If clean documents are not negotiated within Negotiation Period allowed in Letter of Credit or documents are with held by Bank on account of any discrepancy:

- If the Demurrage, if any incurred due to late negotiation of the Clean Documents and paid by OGDCL will be realized from the beneficiary of L/C, by encashing this Performance Bond to the extent of demurrage amount. In case demurrage amount exceeds the total value of this Performance Bond the balance amount will be payable by the beneficiary.

1 That no grant of time or other indulgence to, amendment in the terms of the Contract by Agreement between the parties, or imposition or Agreement with CONTRACTOR in respect of the performance of his obligations under the said Agreement, with or without notice to us, shall in any manner discharge or otherwise affect this Guarantee and our liabilities and commitments there under.

2 This is an independent and direct obligation guarantee and shall be binding on us and our successors interest and shall be Irrevocable.

3 This guarantee shall not be affected by any change in the constitution of the Guarantor Bank or the constitution of the Contractor.

4 The Guarantor Bank Warrants and represents that it is fully authorized, empowered and competent to issue this guarantee.

(BANKERS)

TAXES

- i. The Contract price includes all taxes, duties, fees, levies and any other relevant charges payable inside and outside Pakistan.
- ii. Any taxes, duties, fees, levies and other relevant charges, present or future, assessed or payable outside Pakistan by the Contractor and/or by the expatriate personnel deputed by the Contractor in connection with the services supplied under the Contract shall be the exclusive responsibility of the Contractor.
- iii. Any taxes, duties, fees, levies and other relevant charges, present or future, assessed or payable in Pakistan by the Contractor and/or by the expatriate personnel deputed by the Contractor in connection with its performance under the Contract shall be the exclusive responsibility of the Contractor.
- iv. The Contractor shall be responsible and pay all taxes on its income outside and in particular on its income in Pakistan under the Contract and under the laws of Pakistan.
- v. The Company shall have the right, as provided under the laws of Pakistan to meet its obligations and in particular to deduct from the payments due to the Contractor (against entire contract value including supplies and/or services components, as applicable), income tax/sales tax at source at the rates prevailing from time to time, from the invoiced amounts, or such reduced rates fixed by the taxation authorities for the Contractor on production of documentary evidence by the Contractor and pay such amount to appropriate authorities.
- vi. The Contractor shall also be responsible for any income taxes levied on the Contractor's expatriate personnel, under the laws of Pakistan and for all social security issuances and other contributions for the Contractor's expatriate personnel regardless of whether such contributions are levied on employer or employee or both in Pakistan.
- vii. The Contractor shall keep the Company duly informed about the steps taken by the Contractor in order to meet its obligations under the Contract and provide the necessary documents to the Company in this connection.
- viii. The Contractor shall indemnify the Company against any claim which might occur due to non compliance by Contractor of any legal obligation regarding the taxes, duties, fees, levies, or other charges, including taxes on income in Pakistan and any other payments to the Government or Governmental agencies.

Understanding reflected under the above tax clauses would prevail in case of any understanding to the contrary that may be reflected with respect to tax matters, in any other clause of the contract.

BID BOND

Oil & Gas Development Company Limited,
 OGDCL House, Jinnah Avenue,
 Blue Area, Islamabad.

Guarantee No.....
 Date of issue.....
 Date of expiry
 Amount.....

Dear Sir,

In consideration of M/s.....
 herein after called "THE BIDDER" having submitted the accompanying Bid with reference to OGDCL tender enquiry No. **PROC-FC/CB/OGTI-DRL/3212/2018** and in consideration of value received from (the Bidder above), we hereby agree to undertake as follows:-

1. To make unconditional, immediate and forthwith payment of the sum of **USD 40,000/- (US Dollars Forty Thousands Only)/or equivalent Pak Rupees** upon your FIRST and SIMPLE written demand without further recourse, question, query, deferment, contestation or reference to the bidder, account party or any other person in the event of the withdrawal of the aforesaid bid by the BIDDER before the end of the period specified in the Bid after the opening of the same for the validity thereof or if no such period be specified, within 210 days after the said opening or if the Bidder, having been notified of the acceptance of his bid by the Company during the period of bid validity:
 - a) Fails, refuses or delays to execute the Contract in accordance with the instruction to Bidders, or
 - b) Fails, refuses or delays to furnish Performance Bond in accordance with the instruction to Bidders.
2. To accept written demand from you as conclusive, sufficient and final evidence of the existence of a default of non-compliance, breach or default as aforesaid on the part of the BIDDER and to make payment immediately and forthwith upon receipt of your FIRST and SIMPLE written demand.
3. No grant of time or other indulgence to, or composition or arrangement with the BIDDER in respect of the aforesaid Bid with or without notice to us shall affect this Guarantee and our liabilities and commitments hereunder.
4. This is an independent and direct obligations guarantee and shall be binding on us and our successor in-interest and shall be irrevocable.
5. The Guarantor Bank warrants and represents that it is fully authorized, empowered and competent to issue this guarantee.

Yours faithfully, (B A N K E R S)



OIL & GAS DEVELOPMENT COMPANY LIMITED ISLAMABAD

SCADA SYSTEMS
SUPPLY
CHAIN
MANAGEMENT
DEPARTMENT

Tender Document

(Single Stage Two Envelope Basis)



Tender Enquiry No: PROC-F

For Procurement of: _____

Bids Due On: _____

PART-A

INVITATION TO BIDS FOR

CASE NO. PROC-F_____

OIL & GAS DEVELOPMENT COMPANY LIMITED
SUPPLY CHAIN MANAGEMENT DEPARTMENT
(FOREIGN WING)

SUBJECT: INVITATION FOR BID FOR PROCUREMENT OF _____

UNDER CASH FOREIGN EXCHANGE / OWN RESOURCE.

1. Sealed bids in duplicate are hereby invited under Competitive Bidding (CB) procedure from eligible bidders from the countries maintaining bilateral trade relations with Pakistan for the items as listed in the Schedule of requirement "Annexure-A" of the attached Tender Documents. **The prices may be quoted on both FOB and CFR / CPT Karachi basis (As required in the Schedule of requirement).**
2. **PROSPECTIVE BIDDERS SHOULD PARTICULARLY NOTE THAT:**
 - 2.1 Bids will be accepted only if the materials and supplies being offered are produced and manufactured in the country(s) maintaining bilateral relations with Pakistan.
 - 2.2 Each bid valid for minimum 120 days from the date of opening of the bids must be accompanied by an upfront Bid Bond in the form of Pay Order / Demand Draft or Bank Guarantee issued by scheduled Bank of Pakistan or a branch of foreign bank operating in Pakistan for an amount mentioned in the tender notice with technical bid and valid for 150 days from the date of opening of bids. The Bank Guarantee must be issued in accordance with the format as per Annexure-C of the tender Documents.
 - 2.3 Bid Bond through telex / fax shall not be acceptable.
 - 2.4 On acceptance of the bid by the Purchaser the successful bidder shall be required to furnish Performance Bond / Bank Guarantee issued by scheduled Bank of Pakistan or a branch of foreign bank operating in Pakistan for an amount equivalent to 10 % of the value of Contract for the required material in US Dollars or in currency of Bidder or equivalent in Pakistan Currency as per Annexure-D.
3. The Purchaser does not take any responsibility for collecting the bids from any Agency. Your authorized representative may attend the Tender opening if desired. The tender received after closing time or date shall be returned to Bidder unopened.
4. The Purchaser reserves the right to increase or decrease the quantities and accept or reject any or all bids or cancel any or all items at anytime without assigning any reasons thereof.
5. The Purchaser reserves the right to have the items inspected by its own representatives or through third party.
6. It must be indicated in the offer that the quotation fully conforms to Technical Specifications and Terms & Conditions of the Tender Enquiry.

7. The bid shall be evaluated in accordance with the evaluation criteria as indicated in the schedule of requirement / tender. Tenderers are advised to quote competitive prices enabling OGDCL to decide the purchase.
8. The Offshore companies registered at places e.g. Virgin, Cayman, Nausa, Jersey and Bohaman Islands shall not be entertained and bids if submitted shall be rejected.

9. **TIME AND PLACE FOR SUBMISSION OF BIDS.**

Bids must be delivered / dropped in the tender box until **(As mentioned in the tender notice)** hours Pakistan Standard Time (PST) on **(As mentioned in the tender notice)** following address:-

Oil & Gas Development Company Limited
Supply Chain Management Department
OGDCL House, Plot No. 3 (New No 3013) F-6/G-6,
Jinnah Avenue, Islamabad (Pakistan)
Phone No. 92-51-92002 2144
Fax No. 92-51-9209673 & 9207530

10. **OPENING OF BIDS**

Bids will be opened at **(As mentioned in the tender notice)** hours (PST) at the place noted above.

11. **SINGLE STAGE TWO ENVELOPE BIDDINGS**

- 11.1 Bids against this tender are invited on **Single Stage Two Envelope Bidding Procedure**, therefore, the bidders shall submit one original and one copy of their Technical bid whereas the financial bid is required in original only. No copy is required for financial bid.
- 11.2 Tender Annexure to be added in both the bids; UN-Priced with technical Bids & Priced with commercial Bids.
- 11.3 Both the bids shall be submitted simultaneously in separate sealed inner and outer envelopes. The envelope containing Technical Bid must be marked clearly "**Technical Bid**" and containing Financial Bid must be marked clearly "**Financial Bid**" along with indication on the envelopes as "ORIGINAL" and "COPY".
- 11.4 **Bid bond for the amount mentioned in the SOR must be submitted along with Technical Bid.** The Technical Bid will be opened at first and evaluated. The Financial Bid of only those bidders will be opened who are declared technically Responsive

MANAGER (FOREIGN) PROCUREMENT
OIL & GAS DEVELOPMENT COMPANY LIMITED
PHONE: 0092-51-92002 2144
FAX: 0092-51-9207530

PART-B

SECTION-I

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SUPPLY CHAIN MANAGEMENT DEPARTMENT
(FOREIGN WING)
ISLAMABAD

NO. PROC-F _____

INSTRUCTION TO BIDDERS (ITB)

1. **ELIGIBILITY REQUIREMENTS**

The bidders must meet the following eligibility requirements:-

- 1.1 The Bidder must be a national of a country maintaining bilateral relations with the Islamic Republic of Pakistan.
- 1.2 Material and equipment to be supplied under the contract must be produced in and supplied from a country maintaining bilateral trade relations with the Islamic Republic of Pakistan.

2. **SCHEDULE OF REQUIREMENT**

The schedule of Requirements to be procured under this Tender is attached hereto as Annexure-A.

3. **COST OF BIDDING**

The bidder shall bear all costs associated with the preparation and submission of his bid and the Oil & Gas Development Co, Ltd hereinafter referred to as “ The Purchaser “, will in no case be responsible or liable for those costs regardless of the conduct or outcome of the bidding process.

4. **LANGUAGE OF BIDDING**

The bid must be prepared and submitted in English language. If supporting documents and printed literature furnished by the Bidder with the bid are not in English Language, they must be accompanied by an English translation of the pertinent passages. For the purpose of interpretation of the bid, the English translation shall prevail.

5. **CLARIFICATION OF BIDDING DOCUMENTS**

- 5.1 The Bidders are expected to carefully examine all instructions, forms specifications in the bidding documents. Any bidder in doubt as to the exact meaning or interpretation of any part of the bidding documents must immediately seek clarification in writing from the purchaser at mailing address indicated in the “**INVITATION FOR BID**”. The purchaser will respond in writing to any request for information or clarification of the bidding documents which is received not later than **three weeks** prior to deadline for submission of the bids prescribed by the Purchaser.

5.2 **CONTRADICTIONS, OBSCURITIES AND OMMISIONS**

The bidder should likewise notify the Purchaser of any contradictions, obscurities and omission in the Bidding Documents if clarification of these is necessary for the clear understanding of the documents and for preparation of the bid such enquiries must reach the Purchaser not later than **three weeks** prior to the deadline for submission of the bids.

6. **AMENDMENT OF BIDDING DOCUMENTS.**

- 6.1 At any time prior to the deadline for submission of bids, a modification in the bidding documents in the form of an addendum may be issued in response to a clarification requested by a prospective Bidder or even whenever the purchaser considers it beneficial to issue such a clarification and / or amendment to all Bidders.
- 6.2 Any clarification / amendment issued shall be posted on OGDCL website or through press Corrigendum.

7. **PREPARATION OF BIDS**

The bid prepared by the Bidder shall comprise the following components:-

- 7.1 The schedule of requirements (Annexure-A), or the Principal's Proforma Invoice both duly signed and stamped by the Principal will indicate the prices of the material as contained therein along with other terms and conditions.
- 7.2 The "Data Summary Sheet" to be completed by the Bidders as per Annexure-E.
- 7.3 The bidding form to be completed as per Annexure-B.
- 7.4 Documentary evidence establishing that the Bidder is eligible to bid and is qualified to perform the Contract if his bid is accepted.
- 7.5 Documentary evidence establishing that the goods to be supplied by the Bidder are eligible goods and conform to the Bid Documents and required specifications.

8. **BID PRICE**

The bidder shall indicate on the appropriate forms / lists of material, the unit prices and bid prices of the goods he proposes to supply under the contract in the following manner:-

- 8.1 The prices of the goods to be quoted are firm "FOB" port of loading including all FOB charges i.e. boxing, packaging, documentation, inland freight, dispatch of shipping documents through courier services and any other charges. Sea / Air freight must be quoted as a separate line item for calculation of CFR/CPT Price (As required in the Schedule of Requirement).
- 8.2 Custom duties, import and other taxes on "FOB/CFR/CPT deliveries shall be paid by the purchaser and should not be included in the quoted prices.
- 8.3 The insurance on ocean freight and transportation in Pakistan will be arranged by the purchaser.

9. **EVALUATION CRITERIA**

- 9.1 The bid shall be evaluated in accordance with the evaluation criteria as indicated in the Schedule of Requirement / Tender. Tenderers are advised to quote competitive prices enabling OGDCL to decide the purchase.

10. **CURRENCIES OF BID**

- 10.1 The prices shall be quoted in the Bidder's own currency or in US\$.

11. BID VALIDITY

- 11.1 The bid shall remain valid and open for acceptance for a period of 120 days from the specified date of bid opening.
- 11.2 In exceptional circumstances prior to expiry of the original bid validity period, the bidder may be requested in writing for an extension in the period of validity. A bidder agreeing to such request will not be permitted to modify his bid and will be required to correspondingly extend the validity of his Bid Bond.

12. ALTERNATIVE BIDS.

In the event that the Bidder submit an Alternative bid(s) whether in whole or against any of the items , a group of sub group, in addition to its Main Bid , the bids must be marked as “Main Bid “ and “Alternative Bid”. Alternative Bids which don't conform to the specifications, but meet the performance prescribed in, or the objectives of, the specifications may be submitted. However, only the Alternative bid of the Bidder whose Main Bid is the lowest evaluated bid will be considered.

A Bidder, who wishes to have its Alternative bid(s) considered on an equal basis with all other (Main) bids, must submit a Bid Bond for each Alternative bid, An Alternative bid must be submitted in a sealed envelope clearly marked “Alternative Bid”, separate from the Main bid.

13. BID BOND

- 13.1 The bidder shall furnish, as part of his bid, **bid bond for an amount mentioned in the SOR in the currency of prospective Bidder** (convertible to Pak Rupees) to be submitted along with Technical Bid. The Bid Bond shall be valid for 150 days counting from day of bid opening.
- 13.2 The Bid Bond shall be in the form of Pay Order / Demand Draft or Bank Guarantee issued by a Scheduled Bank or branch of foreign Bank operating in Pakistan
- 13.3 The format of the Bank Guarantee must be in accordance with the standard format attached as Annexure-C.
- 13.4 Any bid not accompanied by the necessary Bid Bond shall be rejected as non responsive. The Bid Bonds of unsuccessful Bidders will be returned to them. The Bid Bond of the successful Bidder will be discharged after he has furnished the required Bank Guarantee / Performance Bond and executed the Contract.
- 13.5 The Bid Bond may be forfeited.
 - 13.5.1 If a bidder withdraws its bid during the period of bid validity.
 - 13.5.2 In case of successful Bidder, if the Bidder fails : -
 - a. To furnished performance bond in accordance with the clause-32.
 - b. To sign the Contract in accordance with clause-34.
- 13.6 The bidder must particularly note that in case of submission of forged Bid Bond they will be liable to severe punitive action by the Purchaser leading to Black Listing of the Local Agent as well as the Principal in addition to any other legal action that shall be initiated against such Bidder.
- 13.7 The Purchaser reserves the right to check authenticity of Bid Bond from the concerned Bank.

NOTE: Bid bond / Bank Guarantee from Royal Bank of Scotland (RBS) are not acceptable.

14 **SIGNING OF BID**

- 14.1 All copies of the bid shall be signed by the Bidder or a person (s) duly authorized to bind the Bidder to the Contract. Proof of the authorization shall be furnished in the form of a written Power of Attorney which shall accompany the bid. All pages of the bid, where entries are made, shall be initialed by the person (s) signing the bid.

15 **SEALING AND MARKING OF BIDS**

- 15.1 The Bidder shall submit two (2) copies of the technical bid, one of which shall be marked the "Original" and the other "Copy". Financial Bid is required in original only.
- 15.2 Each bid shall be sealed in inner and outer envelopes with the outer envelope marked as follows: -

**MANAGER (FOREIGN) PROCUREMENT
SUPPLY CHAIN MANAGEMENT DEPARTMENT
OIL & GAS DEVELOPMENT COMPANY LIMITED
OGDCL HOUSE JINNAH AVENUE, ISLAMABAD (PAKISTAN)**

- 15.3 The envelope shall also bear the following clarifications

BID FOR _____

DO NOT OPEN BEFORE (**As mentioned in the tender notice**)

TENDER NO. PROC-F _____

- 15.4 If the outer envelope is not marked as instructed above, the purchaser will assume no responsibility for the misplacement or premature opening of the bid.

16 **DEADLINE FOR SUBMISSION OF BIDS**

- 16.1 All bids must reach and be received by the Purchaser on or before the prescribed deadline at (**As mentioned in the tender notice**) Hours (PST on (**As mentioned in the tender notice**)).
- 16.2 In case due date of bids opening falls on holiday, the bids will be opened on next working day.

17 **LATE BIDS**

Any bid received by the Purchaser after the prescribed deadline for submission of bids shall be rejected and returned un-opened to the Bidder.

18. **MODIFICATION AND WITHDRAWAL OF BIDS**

- 18.1 The Bidder may modify or withdraw his bid after submission, provided that written notice of the modification or withdrawal is received by the Purchaser prior to the prescribed deadline for submission of bids.
- 18.2 The Bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched as for the bid.
- 18.3 No bid shall be modified subsequent to the deadline for submission of bids.
- 18.4 No bid shall be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity.

Withdrawal of a bid during this interval may result in forfeiture of the Bidder's Bid Bond.

19. **BID OPENING**

19.1 The purchaser will open the bids, in the presence of Bidder's representatives, who may choose to attend, at **(As mentioned in the tender notice)** Hours (PST on **(As mentioned in the tender notice)**) at the following location:

**SUPPLY CHAIN MANAGEMENT DEPARTMENT
OIL AND GAS DEVELOPMENT COMPANY LIMITED
OGDC HOUSE JINNAH AVENUE, ISLAMABAD (PAKISTAN).**

19.2 The Bidder's names, bid prices, requisite Bid Bond, including bid price modification and bid withdrawals, if any, will be announced at the bid opening.

20. **PRELIMINARY EXAMINATION**

20.1 The purchaser will examine the bids to determine whether they are complete whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, whether the bids are generally in order.

20.2 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. If there is a discrepancy between words and figures, the amount in words shall prevail.

20.3 Prior to the detailed evaluation, pursuant to clause 24, the Purchaser will determine the substantial responsiveness of each bid to the Bidding Documents.

21. **DETERMINATION OF RESPONSIVENESS**

21.1 After opening the bids, the Purchaser will determine whether each bid is substantially responsive to the requirements of Bidding Documents.

21.2 For the purpose of this clause, a substantially responsive bid is one which conforms to all the terms and conditions of the Bidding Documents without material deviation. A material deviation is one which being inconsistent with the Bidding Documents, affects in any substantial way to scope, quality or prescribed delivery schedule or which limits in any substantial way, the Purchaser's right or the Bidders' obligation under the contract.

21.3 A bid determined to be non-responsive will be rejected by the Purchaser and shall not subsequently be made responsive by the Bidder by correction of the non conformity.

21.4 The purchaser may waive any minor deviation non-conformity or irregularity in a bid which does not constitute a material deviation, provided that the waiver does not prejudice or affect the relative standing order of any Bidder.

21.5 Payment and Letter of Credit terms other than the ones specified in clauses 4 & 5 of Conditions of Contract "Special" of the Tender Documents shall not be accepted.

22 **CORRECTION OF ERRORS**

- 22.1 Bids determined to be substantially responsive will next be checked for any material error in computation.
- 22.2 Arithmetical errors found will be corrected as follows:
- a) Where there is discrepancy between amount in figures and words, the amount in words will govern.
 - b) Where there is a discrepancy between the unit price and the total amount derived from the multiplication of the unit price and the quantity, the unit price as quoted will govern, unless there is an obvious gross Arithmetical error in unit price, in which event, the extended amount as quoted would govern.

23 **CLARIFICATION OF BIDS.**

To assist in determining a bid's responsiveness the Bidder may be asked for a clarification of his bid. The Bidder is not permitted, however, to change bid price or substance of his bid.

24 **EVALUATION AND COMPARISON OF BIDS**

- 24.1 The Purchaser will evaluate and compare only the substantially responsive bids. To facilitate evaluation and comparison, all bid prices (the amounts payable in various currencies) will be converted to the local currency i.e. Pakistani Rupee or US Dollars at the selling exchange rate officially prescribed by State Bank of Pakistan for similar transaction on the date of opening of bids specified in this Tender Document i.e. as mentioned in the tender notice.
- 24.2 The evaluation of bids will take into account in addition to the bid price the following factors:-
- a) Reliability and efficiency of the material / equipment offered.
 - b) Financial standing of the suppliers.
 - c) The projected operating and maintenance costs during the life of the equipment.
 - d) The availability of the spares and after sale services.
 - e) **EVALUATION OF DELIVERY PROPOSED BY BIDDERS.**
 - i) The delivery periods of the various items of the group of terms have been indicated in the Schedule of Requirements and the Bidders should adhere to the same. However, the Purchaser will evaluate bid offering delivery period of not **exceeding three months** beyond the specified delivery period as provided in Para (iii) below. Bids offering delivery period in excess of three months beyond the specified period will be rejected.
 - ii) All bids specifying delivery period within the dates specified in the Tender Documents shall be considered on an equal basis in regard to time of delivery.
 - iii) For the purpose of evaluation of bids delivery beyond those specified (three months ceiling) an amount equivalent to one half of one percent of the quoted price FOB for the foreign Bidders and ex-factory for domestic Bidders of the delayed material will be added for each excess week of delivery for the first six weeks and one percent for each of the subsequent seven weeks.

25 **BID EVALUATION AND AWARD OF CONTRACT.**

- 25.1 For the purpose of determining the lowest evaluated bid, factors other than price such as guaranteed delivery period, direct installation cost, reliability and efficiency of the equipment, financial standing of the Bidder's repairs facilities etc. will be taken into consideration.
- 25.2 The award of contract shall be made to the Bidder whose bid has been determined to be the lowest evaluated bid, after considering all factors and who meet the appropriate standards of capability and financial responsibilities.
- 25.3 The Purchaser shall inform the successful Bidder of its intent to enter into a contract. The contract shall be executed subject to the satisfactory negotiation of the terms and conditions of the contract.
- 25.4 The determination will take into account the Bidders financial, technical and production capabilities availability of spare parts, after sale services, reliability, efficiency, projected operating and maintenance cost and adaptability of the goods offered.
- 25.5 The manufacturer must be licensed by API for each group of item being quoted (If applicable). In this regard first and latest API certificates must be submitted with the offer.
- 25.6 The manufacturer must have minimum of five years experience (with five year sales record) since the date of API certification in the production of items being quoted. Evidence in this regard must be submitted along with the offer.
- 25.7 An affirmative determination will be a pre-requisite for award of the Contract to the Bidder. A negative determination will result in rejection of the Bidder's bid.
- 25.8 The Purchaser will award the Contract to the successful Bidder whose bid has been determined to be the lowest evaluated, responsive bid, provided further that the Bidder is determined to be qualified to satisfactorily perform the contract.
- 25.9 The bidder may lodge a written complaint for redressal of their grievances and disputes to Dispute Resolution Committee within fifteen (15) days of the placement of the Technical Evaluation Report on Web.

26. **QUALIFICATION OF SELECTED BIDDER(S)**

- 26.1 The Purchaser will determine to its satisfaction whether the Bidder (s) selected as having submitted the lowest evaluated, responsive bid is qualified to satisfactorily perform the Contract.
- 26.2 The determination will take into account the Bidder's financial, technical and production capabilities. It will be based upon an examination of the documentary evidence of the Bidder's qualification prepared and submitted with the bid by the Bidder as well as such other information as may be deemed necessary and appropriate.
- 26.3 An affirmative determination will be prerequisite for award of the Contract to the Bidder. A negative determination will result the rejection of the Bidder's bid.

27. **DOCUMENTS ESTABLISHING THE BIDDER'S QUALIFICATION TO PERFORM THE CONTRACT.**

27.1 The documentary evidence of the Bidder's qualification to perform the Contract, if its bid is accepted , shall establish to the Purchaser's satisfaction:-

- a) That , in case of a Bidder offering to supply goods under the Contract which the Bidder did not manufacture , a certificate to the effect that Bidder is authorized by the goods' manufacturer or producer to supply the goods to or in the purchaser's Country. Such authority must be attached with the bid otherwise bid will be treated non-responsive.
- b) That the bidder has the financial , technical and production capability necessary to perform the Contract; and
- c) That, in case of a Bidder not doing the business within the Purchaser's Country , the bidder is , or will be (if the Contract is awarded to it), represented by an agent in the Country equipped and able to carry out the maintenance, repair and spare parts-stocking obligations prescribed by the Contract.

28. **PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS**

Notwithstanding Clause 24, the Purchaser reserve the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract without thereby incurring liability to the affected Bidder or bidders or any obligation to inform the affected Bidder or Bidders of the ground for the Purchaser's action.

29. **CANVASSING**

Unsolicited advice / clarification and personal approaches by the Bidder at any stage of evaluation are strictly prohibited and shall lead to disqualification.

30. **PREFERENCE FOR DOMESTICALLY MANUFACTURED GOODS**

30.1 In comparing domestic bids with foreign bids, a margin of preference will be granted to goods manufactured in Pakistan in accordance with the following provisions, provided that the Bidder shall have established to the satisfaction of the Purchaser that the domestic value added is in accordance to the percentage as mentioned in clause No. 30.6 of the ex-factory bid price of such goods. For application of domestic preference, all responsive bids will first be classified into following three categories:-

CATEGORY-I: Bids offering goods manufactured in Pakistan which meet the minimum domestic value added requirement.

CATEGORY-II: Bids offering other goods manufactured in Pakistan and

CATEGORY-III Bids offering imported goods.

The purchaser will review each bid to confirm the appropriateness of, or to modify as necessary, the category to which the bid was assigned by the Bidder in preparing it.

30.2 The lowest evaluated bid of each category will then be determined by comparing all evaluated bids in each Category among themselves without taking in to account custom duties and other import taxes levied in connection with the sale or delivery, pursuant to the bids, of the goods.

- 30.3 Such lowest evaluated bids shall next be compared with each other and if as a result of this comparison, a bid from category-I or Category-II found to be lowest, it will be selected for the award of contract.
- 30.4 If, however, as result of the comparison, under paragraph 30.3 above the lowest bid is found to be from Category-III , it will be further compared with the lowest evaluated bid from Category-I For the purpose of this further comparison only, an upward price adjustment will be made to the lowest evaluated bid price of Category-III by adding either:-
- i) The amount of the custom duties and other import taxes which a non-exempt importer would have to pay for the importations for the goods offered in such Category-III bid or,
 - ii) Fifteen percent (15%) of the CIF bid price of such goods if the custom duties and import taxes referred to in (i) above exceed 15 % of the CIF bid price.
- If after such comparison, the Category-I bid is determined to be the lowest, it will be selected for the award of contract, if not, the lowest evaluated bid from Category-III will be selected for the award.
- 30.5 Bidders applying for the preference shall provide all evidence necessary to prove that the goods offered by them were manufactured in Pakistan and the manufacturing cost of such goods includes a domestic value added is in accordance to the percentage as mentioned in Clause No. 30.6 of the ex-factory bid price of the goods.
- 30.6 As per SRO No. 827(I) 2001 dated 13/12/2001 (copy attached as Annex-G) sub. Section (I) of section 3 of the Imports and Exports (control) Act 1950 (XXXIX of 1950) price preference in Rupees will be accorded to the bidders tendering for engineering goods produced in Pakistan up to a specified percentage (in proportion to the value addition) of the lowest quoted landed cost of an item of foreign origin with similar specification as mentioned in the tender.
- i. Provided that:-
 - (a) The saving in foreign exchange is not less than the amount of price preference : and
 - (b) It is ensured that in each case of such preference , the total import requirements for producing the supplied tendered for locally manufactured items has been duly indicated by the bidders.
 - ii. Price preference shall be allowed as under:-
 - (a) Having minimum of twenty percent value addition through indigenous manufacturing , price preference shall be fifteen percent;
 - (b) Having over twenty percent and up to thirty percent value addition through indigenous manufacturing , price preference shall be twenty percent ; and
 - (c) Having over thirty percent value addition through indigenous manufacturing, price preference shall be twenty five percent.
- 30.7 If the local supplier / manufacturer becomes the lowest evaluated bidder after Price Preference, order will be placed at the prices (Landed Price) quoted by the lowest evaluated international bidder. In case the local bidder does not accede to the request of OGDCL for matching their rate at par with those received from international bidder for particular item (s) then the order will be placed on the lowest evaluated international bidder.

31. **NOTIFICATION OF AWARD**

- 31.1 Not later than expiration of the period of bid validity prescribed in bidding Documents, successful Bidder (s) will be notified in writing that his bid has been accepted. The notification of award will NOT constitute formation of the Contract unless conditions of clause 25 of ITB are fully met to the satisfaction of the Purchaser.
- 31.2 Upon the successful Bidder's furnishing of a Performance Bond / Bank Guarantee, the Purchaser will promptly notify the unsuccessful Bidders that their bids have been unsuccessful and will return their Bid Bonds.

32. **PERFORMANCE BOND / BANK GUARANTTEE**

- 32.1 Within 15 days of the successful Bidder's receipt of notification of award , the Bidder will furnish a Performance Bond / Bank Guarantee issued by scheduled Bank of Pakistan or a branch of foreign bank operating in Pakistan in accordance with the of Contract "General " equal to 10 % of the total Contract value. The format of Bank Guarantee must be in accordance with the standard form as per Annexure-D.
- 32.2 Failure of the successful Bidder to lodge the required Performance Bond/Bank Guarantee shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Bond, the Contract may be awarded to another Bidder or new bids may be called for.

Note: Guarantee from Royal Bank of Scotland (RBS) is not acceptable.

33. **JOINT VENTURE**

In the event that the successful Bidder is a Joint Venture formed of two or more companies, the Purchaser will require that the parties to the Joint Venture accept joint and several liabilities for all obligations under the contract.

34. **SIGNING OF CONTRACT.**

At the same time that the successful Bidder is notified that his bid has been accepted and his Performance Bond is received by the Purchaser, the Contract incorporating all terms and conditions will be sent to the Bidder for execution.

35 **CRITERIA FOR SUMMARY REJECTION**

Any bid not meeting the following criteria shall be summarily rejected without any right of appeal.

- 35.1 The bidder must meet the requirements of clause 2 of the ITB.
- 35.2 The bids must be prepared in the English language.
- 35.3 Bid shall be prepared and submitted in the following manner:-
- 35.3.1** For the goods to be supplied from foreign sources, the prices shall be firm FOB port of loading, **The freight will be indicated separately for each item/ group on the Schedule of Requirements (Annexure-A) or Performa Invoice of the Principal.**
- 35.3.2 Bids must be accompanied by a **bid bond for the amount mentioned in the SOR or equivalent Pak Rupees** valid for 150 days as specified under clause 13 of ITB.
- 35.4 Prices of Goods to be supplied from outside the country will be quoted in the Bidder's own currency or US Dollars. Expenditure expected to be incurred in the other currencies may also be indicated in those currencies accordingly.

- 35.5 The bids must be valid for 120 days.
- 35.6 Bid must not be submitted by FAX or Email or Telegram / Telefax / direct to the Purchaser.
- 35.7 Bid must reach before (**As mentioned in the tender notice**) or as per Para 16.2.
- 35.8 The bids must be based on firm prices and not on any price adjustable formula.
- 35.9 Performa invoice of the Principal in original signed and stamped by the Principal or Annexure-A duly filled in, signed & stamped by the Principal must be submitted along with the bid giving all necessary details.
- 35.10 Summary Data Sheet as per Annexure-E must be filled in and submitted along with the bid.
- 35.11 Bidding form, as per Annexure-B and "Price Schedule" as per Annexure-A duly completed in accordance with sub clause 8.1 of ITB. For this purpose Bidder may either use the photo copies of the format provided as Annexure-A & B of the Tender Documents or may reproduce the same on his own letter head filling in blanks and signing and stamping them in original.
- 35.12 Fax / Copy of Bid received with original Bid Bond will be accepted provisionally provided original bid is received by OGDCL within 10 calendar days after bid opening. If the original bid is not received within the stipulated period of 10(ten) calendar days counting from the date of tender opening, the bid shall stand rejected.
- 35.13 Any fax bid with fax / copy of Bid Bond shall be rejected.
- 35.14 Standards clause No. 4 of the Conditions of Contract "General" must be fully complied of it standards other than those mentioned in the technical specifications are quoted.

36. CLARIFICATION OF BIDDING DOCUMENTS

The bidders are expected to carefully examine all instruction, forms specification in the bidding documents. Any bidder in doubt as to the exact meaning or interpretation of any part of the bidding documents must immediately seek clarification in writing from purchaser at mailing address indicated in the INVITATION TO BID. The purchaser will respond in writing to any request for information or clarification of bidding documents which are received not later than three weeks prior to deadline for submission of the bids prescribed by the purchaser.

37. All vendors, suppliers, contractors, consultants and alike are encouraged to inform the managing director and head of departments in case where any OGDCL 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.

Chairman & CEO Oil & Gas Development Company Limited OGDCL House, Islamabad. Tel No. 051-9209701 Fax No. 051-9209708 E-Mail: ceo@ogdcl.com	General Manager Supply Chain Management Department OGDCL House, Islamabad. Tel No. 051-920023556 E-Mail: jahangaiz@ogdcl.com
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MANAGER (FOREIGN) PROCUREMENT
OIL & GAS DEVELOPMENT COMPANY LIMITED
PHONE: 0092-51-92002 2144
EMAIL: irshad_muhammad@ogdcl.com

PART-B

SECTION-II

CONDITIONS OF CONTRACT "GENERAL"

1. DEFINITIONS

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

- 1.1 The "Purchaser" means the Organization purchasing the goods i.e. Oil & Gas Development Company Limited.
- 1.2 The "Contractor" means the individual or firm supplying the goods under the Contract
- 1.3 "The Goods" means all equipment, machinery, and / or materials, which the Contractor is required to supply to the Purchaser under this Contract.
- 1.4 The "Contract" means the agreement entered into between the Purchaser and the Contractor as recorded in the Contract Documents including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.5 "The Contract Price" means the price payable to the Contractor under the Contract for the full and proper performance of his contractual obligations.

2. APPLICATION

The general conditions shall apply to any Contract made by the Oil & Gas Development Company, for the procurement of goods and material.

3. COUNTRY OF ORIGIN

- 3.1 All goods and ancillary services supplied under the Contract shall have their origin in the countries maintaining bilateral relations with Islamic Republic of Pakistan.
- 3.2 For purposes of this clause, "Origin" means the place where the goods were mined, grown or produced, or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized new product result which is substantially different in basic characteristics or in purpose or utility from its components.

4. STANDARDS

The goods supplied under this Contract shall conform to the Standards mentioned in the technical specifications. In each case where reference is made to any specified National or International Standards. Other recognized and authoritative Standards ensuring equal or higher quality will also be acceptable. In case your offer conforms to Standards other than stipulated in the ITB you are required to submit along with your bid one copy of the Standards in English Language and evidence that Standard used is a recognized and authoritative Standard, which ensures equal or higher quality. Your bid shall be declared non-responsive and rejected if you don't submit required evidence and a copy of such Standards in English Language with your bid. In case where metric or foot-pounds-second (F.P.S) system is specified only those Standards will be considered.

5. USE OF CONTRACT DOCUMENTS AND INFORMATION

- 5.1 The Contractor shall not, without the Purchaser's prior written consent, disclose the Contract, or any provisions thereof, or any specifications, plan, drawing pattern, sample of information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Contractor in the performance of the Contract. Disclosure to any such person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 5.2 The Contractor shall not, without the Purchaser's prior consent, make use of any document or information enumerated in clause 5.1, except for purposes of performing the Contract.
- 5.3 Any document, other than the Contract itself, enumerated in clause 5.1 shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser on completion of the Contractor's performance under the Contract.

6. PERFORMANCE BOND / BANK GUARANTEE

- 6.1 Within 15 days after Contractor's receipt of notification of Award of the Contract the Contractor shall furnish a Performance Bond / Bank Guarantee issued by scheduled Bank of Pakistan or a branch of foreign bank operating in Pakistan in the amount specified in the Conditions of Contract "Special".
- 6.2 The proceeds of the Bank Guarantee shall be payable to the Purchaser as compensation for any loss resulting from the Contractor's failure to complete his performance obligations under the Contract.
- 6.3 The Bank Guarantee shall be denominated in the currency of the Contract or in another freely convertible currency acceptable to Purchaser and shall be in the form provided in the Bid Documents as Annexure-E. The expenses for the Bank Guarantee shall be borne by the Contractor.
- 6.4 Fifty percent of the amount of the Bank Guarantee (i.e. 5% of the total value) will be discharged not later than 30 days following the date of unloading of the material at Karachi sea-port in recognition of successful completion of the delivery within the required delivery schedule. The balance 50 % amount (i.e. 5% of value) of the Bank Guarantee shall remain valid for a period of 12 months from the date of unloading of the material at Karachi port to secure due performance of the Contract obligation, under the Contract.

7. INSPECTION AND TEST

- 7.1 The purchaser or his representative shall have the right to inspect and / or test the goods to confirm their conformity to the Contract specification.
- 7.2 The inspection and the tests may be conducted in the premises of the Contractor or his sub-contractor(s) at point of delivery and / or the Good's final destination. Where conducted on the premises of the Contractor or his sub-contractor(s), all reasonable facilities and assistance including access to drawings and production data shall be furnished to the Inspector (s) at no charge to the Purchaser.
- 7.3 Should any tested or inspected goods fail to conform to the specification, the Purchaser may reject them and the Contractor shall either replace the rejected Goods or make all alterations necessary to meet specification requirements.

- 7.4 The Purchaser's right to inspect, test and, where necessary reject delivery after the Goods arrival in Pakistan shall in no way be limited or waived by reasons of the Goods having previously been inspected, tested and passed prior to the Goods shipment from the country of origin.
- 7.5 Nothing in this clause shall in any way release the Contractor from any Warranty or other obligations under this Contract.

8. PACKING

- 8.1 The Contractor shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand rough handling during transit and exposure to extreme temperatures, salt, and precipitation during transit taking into consideration, where appropriate, the remoteness of the good's final destination and the absence of heavy handling facilities at all points in transit. More specifically packing and storage during shipment should conform to the minimum standard given in the material lists.
- 8.2 The packing, marking and documentation within and outside the package shall comply strictly with such special requirements as shall be expressly provided for in the Contract and, in any subsequent instruction issued by the Purchaser.

9. DELIVERY

- 9.1 Delivery of the goods shall be made by the Contractor in accordance with the terms specified in the Conditions of Contract "Special", and Goods shall remain at the risk of the Contractor until delivery has been completed.
- 9.2 Delivery shall be deemed to have been made when a clean Bill of Lading / Air way Bill (As the case may be) together with all such documentation as shall be specified in the Conditions of Contract "Special" have been submitted to the Purchaser. Partial shipment(s) within the delivery period (s) will be acceptable

10. INSURANCE

All goods supplied under the Contract shall be fully insured against loss or damage. Insurance shall be responsibility of the Contractor until delivery, as specified in paragraph 9.2, has been made upon which insurance will be arranged by Purchaser.

11. TRANSPORTATION

Transportation of equipment / material (consignments) will be arranged through any first available conference liner / Airline from the specified port / Air port of embarkation to Karachi port if Contract is awarded on CFR / CPT (As required in the Schedule of Requirement) basis. Therefore, the Bidders are advised to specify the name of port(s) of embarkation of the bid.

12. SPARE PARTS

The Contractor is required to provide materials and notifications pertaining to spare parts manufactured or distributed by the Contractor as mentioned in the Conditions of Contract "Special".

13. WARRANTY

13.1 The contractor shall warrant that all goods supplied under this contract shall be of contractual description, new and have no defect arising from design, materials or workmanship or from any act or omission of the contractor that may develop under normal use of the supplied goods under the conditions prevailing in the country of final destination.

13.2 The Purchaser shall promptly notify the Contractor in writing of any claims arising under this warranty. Upon receipt of such notice, the Contractor shall, with all reasonable speed, repair or replace the defective goods or parts thereof without any cost to Purchaser.

13.3 If the Contractor, having been notified, fails to remedy the defects(s) within a reasonable period, the Purchaser shall proceed to take such remedial action as may be necessary at the Contractor's risk and expense and without prejudice to any other rights which the Purchaser may have against the Contractor under the Contract

14. PAYMENT

The method, type and currencies of payment made to the Contractor under this Contract are specified in Conditions of Contract "Special".

15. PRICE

Price charged by the Contractor for goods delivered under the Contract shall not vary from the prices quoted by the Contractor in his bid.

16. AGENCY COMMISSION

The Purchaser will not pay any commission to any Bidder or his local agent against this tender and / or resulting Contract in local or foreign currency what-so-ever.

17. AMENDMENTS

Subject to clause 18, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

18. SUB CONTRACTS

18.1 No sub-contract(s) shall be awarded without written consent of the Purchaser. The Contractor shall notify in writing of all sub-contracts awarded under this Contract. Such notification shall not relieve the Contractor from any liability or obligation under the Contract.

18.2 Sub-Contractor(s) must comply with the provision of clause-3 of Conditions of Contract "General".

19. DELAY IN THE SUPPLIER'S PERFORMANCE

19.1 Delivery of the goods shall be made by the Contractor in accordance with the time schedule specified in the Conditions of Contract "Special".

19.2 Any unjustified prolonged delay by the Contractor in the performance of his delivery obligations shall render the Contract liable to any or all of the following sanctions:

- Imposition of liquidated damages;
- Forfeiture of performance security
- And / or termination of the Contract for default.

19.3 If in any time during performance of the Contract, the Contractor or his sub-contractors (s) should encounter conditions impeding timely delivery of the goods, the Contractor shall promptly notify the Purchaser in writing of the facts of the delay, likely duration and causes(s). After receipt of such notice, Contractor's case shall be evaluated for any possible extension in time for performance of the Contract. Any extension granted shall be ratified by the parties by amendment in the Contract.

20. LIQUIDATED DAMAGES

a) Subject to clause 22 of these conditions of Contract "General", If the contractor fails to deliver any or all of the goods within the time period(s) specified in the Contract, the Purchaser shall, without prejudice to other remedies under the contract, deduct from the contract price / Bank Guarantee as liquidated damages, a sum not more than 0.5% of the contract price per week or part thereof for first four weeks, 1.00% per week for next four weeks and 1.5% per week exceeding four weeks up to maximum extent of 5% of the contract value.

b) In case the Purchaser is satisfied that the delayed / defective shipment was due to some mistake or circumstances beyond the control of the contractor and the contractor has not intentionally or negligently contributed in the delay, the Purchaser may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment per week or part thereof for first two weeks, 1.00 % per week for next three weeks and 1.5% per week exceeding five weeks but not exceeding 5% of the contract value of the delayed/ defective shipment provided that the contractor takes immediate remedial measures for the-replacement of defective shipment and takes prompt steps to mitigate the delay. The Purchaser may however, impose Liquidated Damages as per (a) above if the delayed or defective shipment has affected the project completion schedule or has resulted in production losses.

c) Even after imposition of LDs, if the supplier fails to materialize the delivery (material and or services); the Purchaser reserves the right to cancel Purchase order/contract/LC and to forfeit the Guarantee (if applicable) after intimating the supplier for such cancellation / forfeiture.

21. TERMINATION FOR DEFAULT

21.1 The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Contractor, terminate this Contract in whole or in part provided that:

- a) The Contractor fails to deliver any or all of the goods within the time periods(s) specified in the Contract, or any extension thereof granted by the Purchaser; or
- b) The Contractor fails to perform any other obligations(s) under the Contract, and provided that the Contractor in either of the above cases doesn't remedy his failure within a period of ten days after receipt of the default notice.

21.2 In the event, the Purchaser terminates the Contract in whole or in part pursuant to Clause 21.1, the Purchaser may procure, upon such terms and in such manner as he deems appropriate, goods similar to those undelivered, and the Contractor shall be liable to any excess cost for such similar goods which may be deducted from his Bank Guarantee.

22. FORCE MAJURE

22.1 The Contractor shall not be liable for forfeiture of his Performance Bond Liquidated damages or termination for default if, and to the extent that ,

his delay in performance or other failure to perform his obligations under the Contract, are the result of an event of Force Majeure i.e. causes such as natural calamities, war military action, fire as well as other circumstances proved beyond the reasonable control of the Contractor, which may impede the fulfillment of the obligations under this contract.

- 22.2 The Contractor shall notify the Purchaser promptly of the occurrence of Force Majeure and submit his case in writing within 15 days of such occurrence.
- 22.3 If any of the parties is prevented to fulfill his assumed obligations by Force Majeure of constant duration of at least one month, the parties shall meet for negotiation. If no satisfactory agreement is reached within a period of total two months from commencement of the Force Majeure conditions, either party shall have the right to cancel the Contract with immediate effect.

23. RESOLUTION OF DISPUTES

- 23.1 If any question, difference or dispute shall arise under this Contract regarding which the parties are unable to agree, such matter may be referred for arbitration. 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. Either party may notify the other in writing specifying the nature of dispute and designating one of the arbitration to whom such dispute shall be referred to requesting that the other party give notice in writing within thirty (30) days after the designation of the second arbitrator. The arbitrators shall within thirty (30) days appoint an umpire whose decision with respect to the dispute shall govern in the event that the arbitrators shall fail to agree. In the event that no second arbitrator is designated within the time specified, the first arbitrator shall have full and complete power to determine the dispute. Arbitration award shall be final and binding on all parties. It is further agreed that such arbitration shall be precedent to any action of law and that the provisions of the Pakistan Arbitration Act 1940, and the rules framed there under shall apply to the arbitration proceedings. The venue of the arbitration proceedings shall be in Pakistan.
- 23.2 The expenses of any arbitration hereunder shall be charged equally to the parties to the dispute unless the award of the arbitrator, the arbitrators, or the umpire, as the case may be, shall otherwise provide.

24. PATENT RIGHT

The Contractor shall indemnify and hold the Purchaser harmless against all third-party claims of infringements of patent, trademark or industrial design rights arising from use of the goods or any part thereof.

25. APPLICABLE LAW

The Contract shall be interpreted in accordance with the law applicable in the Islamic Republic of Pakistan.

PART-B

SECTION-III

CONDITION OF CONTRACT **“SPECIAL”**

1. PERFORMANCE BOND / BANK GUARANTEE

The performance Bond / Bank Guarantee to be furnished by the Contractor shall be in the amount of ten percent (10%) of the total Contract price in the form attached as Annexure-D.

The period of validity of the Bank Guarantee shall be extended if the completion of the Contract is delayed, whether in whole or in part. The cost incurred for establishing this Bank Guarantee shall be to the account of the Contractor.

2. DELIVERY

- 2.1 Delivery is the essence of the Contract and in order to meet the schedules of the operations of the projects, deliveries must be made as indicated in the material list, from the date the Letter of Credit is established. Partial shipment within the delivery period shall be permitted.
- 2.2 Upon each shipment of the whole or part of the goods, six (6) copies of the following documents shall be submitted by the Contractor:-
- Original clean on board ocean vessel Bill of Lading / Air Way Bill (As the case may be).
 - Original detailed invoice showing commodity, description, quantity, unit price and total price strictly in line with contract.
 - Packing list.
 - Certificate and list of measurement and weight (gross/ net).
 - Mill inspection / quality Certificate.
 - Certificate of origin.
- 2.3 The above documents should be received by Manager (Foreign) Procurement at least 10 days before arrival of the goods at the Karachi Port / Air Port and if not so received, the Contractor will be responsible for any expenses resulting from any delay in customs clearance caused thereby and extension of the period of insurance coverage by corresponding period of delay.

3. SPARE PARTS

The Contractor shall have proposed in his list of recommended spare parts where so required, necessary for the satisfactory operation and maintenance for the period specified in Schedule of Requirement Annexure-A, of the equipment/ goods supplied under the Contract. The Purchaser shall have the right to purchase all of the recommended spare parts at the unit price quoted within six (6) months of the date of Contract.

4. PAYMENT

Payment to the Contractor in foreign currency shall be made by establishing in favour of the Contractor an irrevocable Letter of Credit (hereinafter called the L/C). Payment (s) under the L/C will be made for the FOB/CFR / CPT (As the case may be) price of goods of each shipment upon submission of the shipping and other documents as in Clause-2.

5. CHARGES FOR L/C ESTABLISHMENT / AMENDMENT

The Bank Charges for establishment of L/C additional confirmation and any subsequent amendments in L/C will be borne as follows:-

- a) All charges of the credit opening Bank for Credit opening will be borne by the PURCHASER.
- b) All charges of the Corresponding Bank such as negotiation of documents, adding confirmation to credit etc. will be to the account of beneficiary/ Contractor.
- c) All Bank charges (local & foreign) for any amendment in L/C or extension in shipment period will be to the account of Contractor.

6. PURCHASER'S RIGHT TO AMEND, MODIFY OR TO CANCEL THE CONTRACT/ AGREEMENT

- 6.1 The prospective Bidders must particularly note that Purchaser reserves the right to amend, modify or cancel the Contract/ agreement if warranted by the operational requirement/ limitations.

FORM OF TENDER OR BIDDING FORM

Dated: _____

Tender Enquiry No.._____

To,

Oil & Gas Development Company Limited
OGDCL House, Jinnah Avenue, Blue Area,
Islamabad, Pakistan.

Gentlemen,

1. Having Examined the Conditions of Contract and specifications, the receipt of which is here acknowledged, we the undersigned, offer to supply & deliver _____ in conformity with drawings, conditions of contract and specifications for the sum of _____ or such other sums as may be ascertained in accordance with the said conditions.

2. If our Bid is accepted we shall commence delivery within _____ days and Completed delivery of all the items specified in the Contract within _____ days from the date of receipt of your Letter of Credit.

3. If our tender is accepted we shall obtain the Guarantee of a scheduled Bank or other sureties (to approved by you) to be jointly and severally bound with us in a sum not exceeding ten percent (10%) of the Contract sum for due performance of the Contract as per format at Annexure “D”.

4. We agree to abide by this Tender for the period of one hundred and twenty (120) days from the date fixed for opening the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

5. Until a formal Agreement is prepared and executed, this Bid, together with your acceptance thereof, shall constitute a binding Contract between us.

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

7. We accept the other terms & conditions of L/C enclosed as Appendix – I.

Dated this _____ day of _____

Signature _____ in the

Capacity of _____

Duly authorized to sign Tenders for and on behalf of

(Name of the firm in block capitals)

Address _____

Fax _____ Telephone _____

Signature

Witness: -

1. _____

2. _____

BID BOND

Oil & Gas Development Company Limited,
OGDCL House, Jinnah Avenue,
Blue Area, Islamabad.

Dear Sir,

In consideration of M/S _____
herein after called "THE BIDDER" having submitted the accompanying Bid and in
consideration of value received form (the Bidder above), we hereby agree to under
take as follows:-

1. To make unconditional, immediate and forthwith payment of the sum of US\$ (United States Dollars only) upon your FIRST and SIMPLE written demand without further recourse, question, query, deferment, contestation or reference to the bidder, account party or any other person in the event of the withdrawal of the aforesaid bid by the BIDDER before the end of the period specified in the Bid after the opening of the same for the validity thereof or if no such period be specified, within 150 days after the said opening or if the Bidder, having been notified of the acceptance of his bid by the Company during the period of bid validity:
 - a) Fails, refuses or delays to execute the Contract in accordance with the instruction to Bidders, or
 - b) Fails, refuses or delays to furnish Performance Bond in accordance with the instruction to Bidders.
2. To accept written intimation(s) from you as conclusive, sufficient and final evidence of the existence of a default of non-compliance, breach or default as aforesaid on the part of the BIDDER and to make payment immediately and forthwith upon receipt of your FIRST and SIMPLE written intimation.
3. No grant of time or other indulgence to, or composition or arrangement with the BIDDER in respect of the aforesaid Bid with or without notice to us shall affect this Guarantee and our liabilities and commitments hereunder.
4. This is an **independent** and **direct** obligations guarantee and shall be binding on us and our successor in-interest and shall be irrevocable.
5. The Guarantor Bank warrants and represents that it is fully authorized, empowered and competent to issue this guarantee.

Yours faithfully,

(BANKERS)

Note: Guarantee from Royal Bank of Scotland (RBS) is not acceptable.

PERFORMANCE BANK GUARANTEE

Oil & Gas Development Company Limited
OGDCL House, Jinnah Avenue, Blue Area,
Islamabad, (Pakistan)

Dear Sir,

Ref; our Bank Guarantee No. _____ in the sum of
_____ Account _____
_____ in consideration of you having entered into Contract
No. _____ Dated _____ with
_____ Called Contractor and in consideration for value received
from CONTRACTOR. We hereby agree and undertake as followings:

1. To make unconditional payment to you as called upon of (10%) ten percent of the total value of the contract price mentioned in the said contract, on your FIRST and SIMPLE written demand(s) without further recourse, question or reference to CONTRACTOR or any other person in the event of default, non-performance or non-fulfillment by CONTRACTOR of his obligations, liabilities, responsibilities under the said contract of which you shall be the sole judge.
2. The accept written intimation from you as conclusive and sufficient evidence of the existence of the default or breach as aforesaid on the part of CONTRACTOR and to make payment accordingly within 3 (three) days of receipt thereof upon receipt of your FIRST and SIMPLE written demand.
3. To keep this guarantee in full force from the date hereof until 30 (thirty) days from the date of unloading of last consignment of material at Karachi seaport. However in case of delay in receipt of clean documents or documents are received with discrepancies until 30 days from the date of clearance of last consignment.
4. To keep 50% of the amount of this guarantee (i.e. 5% of Contract value) enforce from the date of hereof until 12 (Twelve) months from the date of unloading of the last consignment of material at Karachi seaport /Air Port.
5. DEMURRAGE DUE TO DELAY IN RECEIPT / NEGOTIATION OF ORIGINAL SHIPPING DOCUMENTS.

If clean documents are not negotiated within Negotiation Period allowed in Letter of Credit or documents are with held by Bank on account of any discrepancy:-

- If the Demurrage, if any incurred due to late negotiation of the Clean Documents and paid by OGDCL will be realized from the beneficiary of L/C, by encashing this Performance Bond to the extent of demurrage amount. In case demurrage amount exceeds the total value of this Performance Bond the balance amount will be payable by the beneficiary.
6. That no grant of time or other indulgence to, amendment in the terms of the Contract by Agreement between the parties, or imposition or Agreement with CONTRACTOR in respect of the performance of his obligations under the said Agreement, with or without notice to us, shall in any manner discharge or otherwise affect this Guarantee and our liabilities and commitments there under.
 7. This is an independent and direct obligation guarantee and shall be binding on us and our successors interest and shall be Irrevocable.
 8. The Guarantor Bank Warrants and represents that it is fully authorized, empowered and competent to issue this guarantee.
 9. This guarantee shall not be affected by any change in the constitution of the Guarantor Bank or the constitution of the Contractor.

(BANKERS)

Note: Guarantee from Royal Bank of Scotland (RBS) is not acceptable.

DATA SUMMARY SHEET

Following information regarding each group of items must be stated categorically:-

COMPLETE NAME AND ADDRESS
OF MANUFACTURE:

COMPLETE NAME AND
ADDRESS OF L/C BENEFICIARY

COUNTRY OF ORIGIN:

PORT OF SHIPMENT

VALIDITY OF BID:

DELIVERY PERIOD:

TOTAL BID VALUE FOB

C & F
(By Sea)

C & F
(By Air)

BID BOND ATTACHED WITH
THE TECHNICAL BID

Yes

No

AMOUNT OF BID BOND:

ADDRESS OF BANKER WITH

AC COUNT NO:

NAME AND ADDRESS
OF LOCAL AGENT IN PAKISTAN (IF ANY)

DECLARATION

**(To be filled / signed / stamped by the prospective bidder
i.e. principal and by the Local Agent on their Letter Head)**

The Prospective Bidder will have to certify that;

- Their Firm / Company /Local Agent with current or any other title & style have not been involved in any manner or kind of litigation with OGDCL.
- Wrong declaration to above fact will be liable to legal proceedings including but not limited to confiscation of Bid Bond / Performance Bond & Blacklisting of Firm (the Principal) and also Local Agent

Sign/Name: _____

Principal's Name / Address: _____

Designation: _____

Date: _____

Stamp: _____

Sign/Name:

Local Agent's Name / Address: _____

Designation:

Date: _____

Stamp: _____

DECLARATIONS:

CONTRACT NO. PROC-FC/

- i. Contractor/Seller declares and affirms that the contractor/Seller itself and its sub contractors, directors, officers, employees and agents have not paid, nor have undertaken to pay, any direct or indirect payment by way of any type of gratification, bribe, pay-off, kick-back, or unlawful commission, valuable thing or any offer, or any authorization or promise to pay money or any things of value, in any way or manner whether in rupees or in foreign currency and whether in Pakistan or abroad, no have given or offered to give any gifts and presents in Pakistan or abroad, to any official or employee of the purchaser or any other person while knowing that the payment or promise to pay will be passed on to an official or employee of the purchaser corruptly to an official or employee of the purchaser corruptly to influence purchaser, official act or decision or to secure an improper advantage in order to procure this contract or retain business. The Contractor further undertake not to engage in any of these or similar acts during the terms of this contract.
- ii. The Contractors, Sub-Contractor/Seller hereby further declares and affirms that no association of the Contractor, Sub-Contractors/Seller, Agent directors, officers exists with any party abroad and any agent in Pakistan, who may have a direct or indirect conflict of interest with the purchaser, and fully understands that the contract will become null and void and unenforceable in the event it is discovered that such a relationship was in existence at the time of entering into contract. The Contractors, Sub-Contractors/Seller further undertakes to immediately inform the purchaser if such a relationship is established after signing of the contract and it will be up to the purchaser to terminate the contract if so desired without any recourse or compensation or continue with it.
- iii. Any such disclosure contrary to the above declaration and affirmations shall be material breach resulting in termination of the contract forth with and the Contractor/Seller Agent shall be fully liable under the governing laws of Pakistan, and shall also be responsible to make good any loss or damage caused to the purchaser by such breach.

ON THE BEHALF OF SELLER
SIGNATURE & OFFICIAL SEAL

(On official letter-head of the bidder)
To be signed by the
Chief Executive of the
bidding company or a
Representative duly
authorized by board
resolution.

Annexure- "H"

Integrity and Ethics Undertaking

We hereby commit and undertake to observe the following principles during our participation in the tender process and during the contract execution:-

- a) That we will not directly or through any other person or firm offer promise or give to any of the employees of OGDCL involve in the tender process or execution of the contract any gain, pecuniary benefit or facilitation payment in order to obtain in exchange any advantage of any kind whatsoever during the execution of contract.
- b) That we have not and will not enter with other bidders into any undisclosed agreement or understanding either formal or informal to restrict competitiveness or to cartelise in the bidding process.
- c) That we will ensure that the remuneration of agents (if engaged) is appropriate and is for legitimate services only.
- d) That we will not use subcontracts, purchase orders or consulting agreements, as a mean of channeling payments to employees of OGDCL.
- e) That we will not commit any offence under the Pakistan Penal code, Prevention of corruption Act or National Accountability Ordinance to Achieve any advantage, gain or benefit during the tender process or execution of contract

We further understand and acknowledge that any violation or transgression of the above mentioned principles will attract disqualification from the tender process and may also result in permanent exclusion from future contact award processes.

We also accept and undertake to respect and uphold OGDCL's absolute right to resort to and impose such disqualification, debarment or exclusion.

For and on behalf of _____

Tender No. _____

(On official letter-head of the contractor)
To be signed by the
Chief Executive of the
bidding company or a
representative duly
authorized by board
resolution.

Annexure- "I"

Integrity and Ethics Undertaking

We hereby commit and undertake to observe the following principle during our participation in the contract execution:-

- a) That we will not directly or through any other person or firm offer promise or give to any of the employees of OGDCL involve in or relevant to the execution of the contract any gain, pecuniary benefit or facilitation payment in order to obtain in exchange any advantage of any kind whatsoever during the execution of contract at any stage thereafter
- b) That we did not enter with other bidders into any undisclosed agreement or understanding either formal or informal to restrict competitiveness or to cartelize in the bidding process.
- c) That we will ensure that the remuneration of agents (if engaged) is appropriate and is for legitimate services only.
- d) That we will not use subcontracts, purchase orders or consulting agreements as a mean of channeling payments to employees of OGDCL.
- e) That we will not commit any offence under the Pakistan Penal Code, Prevention of Corruption Act or National Accountability Ordinance to Achieve any advantage, gain or benefit during the tender process or execution of contract

We further understand and acknowledge that any violation or transgression of the above mentioned principles will attract disqualification from the tender process and may also result in permanent exclusion from future contact award processes.

We also accept and undertake to respect and uphold OGDCL's absolute right to resort to and impose such disqualification, debarment or exclusion.

For and on behalf of _____

Tender No. _____

Contract No. _____

THE GAZETTE OF PAKISTAN
EXTRAORDINARY
PUBLISHED BY AUTHORITY

PART-II
Statutory Notifications (S.R.O)
GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

Islamabad, the 3rd December, 2001

ORDER

S.R.O 827(I)/2001- In exercise of the powers conferred by sub-section (1) of Section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950). The Federal government is please to make the following order, namely:-

1. Short title and commencement: - (1) This order may be called the Import of Engineering Goods (Control) Order, 2001.

It shall come into force at once.

2. Definitions: - In this Order, unless there is any thing repugnant is the subject or context.

- (a) "Engineering goods" means goods specified in the Customs General Order No. 7 of 1998 issued and amendments thereof by the Central Board of Revenue.
- (b) "Government" shall include both the Federal Government and any Provincial Government and their attached departments, and
- (c) "Public sector agencies" include all the statutory or autonomous corporations and other agencies or bodies under the administrative control of the Federal Government and the Provincial Governments, including private or public companies with the government shareholding.

3. Price preference to be accorded:- Only in cases of procurement by the government, but not in case of procurement by other public sector agencies, bidders tendering for engineering goods produced in Pakistan shall be accorded a price preference in rupees up to a specific percentage (in proportion to the value addition) of the lowest quoted landed cost of an item of foreign origin with similar specifications as mentioned in the tenders:

(1) **Provided that:-**

- (a) the saving in foreign exchange is not less than the amount of price preference, and
- (b) it is ensured that in each case of such preference, the total import requirements for producing the supplied tendered for locally manufactured items has been duly indicated by the bidder.

(2) **Price preference shall be allowed as under:-**

- (a) having minimum of twenty percent value addition through indigenous manufacturing price preference shall be fifteen percent:
- (b) having over twenty percent and up to thirty percent value addition through indigenous manufacturing, price preference shall be twenty percent, and

- (c) having over thirty percent value addition through indigenous manufacturing, price preference shall be twenty five percent.

4. Public sector agencies to procure their requirements from within the country, etc.-

- (1) The public sector agencies shall-
 - (a) procure their requirements of engineering goods from within the country and omit such items from the list of barter, credit and loans;
 - (b) while preparing any scheme or project, make adequate provision of rupee component in their annual procurement budgets for facilitating the local purchases and for this purpose explore all sources of local financing;
 - (c) encourage local industry by providing educational and development contracts where applicable, for an amount equivalent to ten percent of their annual procurement budget, share the initial development charges, on one time basis, on mutually agreed terms; and
 - (d) Submit reports on six monthly basis to the Ministry of Commerce with copies to the Engineering Development Board. The Engineering Development Board will monitor, on a regular basis, the implementation of this Order towards achieving import Substitution, and indigenization about the cases of price preference allowed to bidders in cases of government Procurement only an provide full justification about the cases where local purchases are not made and preference is given to imports. The report shall outline the future place for import substitution in that area.
- (2) The raw material and component requirements of the local engineering industry shall be met from the credits referred to in clause (a) of sub-paragraph (1)

5. Compliance of directives or decisions:- Public sector agencies shall comply with all the directives of the Chief Executive of the Islamic Republic of Pakistan, decisions of the ECC of the Cabinet and government policy decisions on promotion of indigenization and import substitution.

6. Special provision:-

(1) Notwithstanding any provisions to the contrary in any of the existing rules and order, the requirements as to inviting of tenders and quotations and making of inquiries, etc. shall be waived in cases where purchases by the government controlled units or public sector agencies are made from government controlled manufacturing units or public sector agencies.

(2) The public sector agencies shall incorporate condition in tender documents for all major industrial and infrastructure projects that import of turnkey plants or award of turnkey contracts to foreign manufacturers or contractors for such projects shall not be allowed and instead local manufacturers or contractors shall be encouraged to undertake EPC (Engineering Procurement and Construction) contract. However, in cases where local capacity and expertise is not available to this extent, the foreign manufacturers or contractors shall be considered but required to associate fully the recognized local design, engineering and manufacturing organization on the concept of sub-EPC contractor. The public sector agency shall patronize the public sector manufacturers as consortium partners to foreign companies to ensure that dependence or imported plant and machinery reduces progressively from year to year. The local content in large projects shall be determined, on case to case basis, by the Engineering Development Board (EDB) on the pattern of industry-specific program.

(3) In case of participation of public sector manufacturers, the requirement of furnishing earnest money or tender guarantee, security deposit, etc., shall be waived and

instead, a letter to the effect from the parent Ministry confirming its public sector entity shall serve the purpose. Performance bond or bank guarantee shall be provided by the manufacturer or, as the case may be, the contractor.

(4) Decision for award of contract shall be made on the basis of competitive prices and technical suitability and performance shall be given to the manufacturers or contractors having obtained certification of quality and standards such as ISO 9000, ASME, API etc. EDB will help and facilitate the local industry in achieving quality standards and timely completion of large projects.

(5) In case there is only one recognized manufacturer in the public sector of the required item or component of engineering goods, it shall be mandatory on the public sector agencies to award contract to the local manufacturer on negotiation basis. In case the terms of contract are not mutually agreeable between the buyer and seller, a decision shall be taken by the National Council for the Engineering and industrial coordination (NCE &IC).

6. Repeal- The import of Engineering Goods (Control) order, 1998, is hereby repealed.

(No. 1(10)/2001-WTO)

KISHWAR KHAN
Deputy Chief (WTO)

**OTHER TERMS AND CONDITIONS OF THE L/C TO BE
STRICTLY COMPLIED BY THE BENEFICIARY
(CFR BASIS)**

1. CONSIGNEE:

The goods must be consigned to Manager (Materials)-South, Oil & Gas Development Company Limited, Plot No. 21, West Wharf Road, Karachi. Telephone No. 0092-21-2311108, 2313119-23 and Fax No. 0092-21-2311040

2. PACKING:

The Packing of the merchandise must conform to the International Standards.

3. MARKING:

3.1 All Packages/boxes must bear the Purchase Order No. as Shipping Marks, Country of Origin and Weight in Kilograms (Gross/Net). The marks must tally with shipping documents like B/L and manifest there should not be any difference.

3.2 In addition to the above mentioned shipping marks, the following procedure of colour code marking is to be adopted / made on each side of the package/box/container while dispatching the material: -

“There will be an isosceles triangle with or less than six inches side, triangle side marked in black lines, letters “OGDCL” inscribed inside, the letters to be not less than 1½” tall and will be in black. On big packages/boxes/containers, the sides of triangle and letters will be increased appropriately. Underneath the triangle there will be two color code bars in “**GREEN**” color size six inches in length and 1½” in width. If the above color codes marking are not appropriate/suitable, the sizes and color may be changed”.

3.3 Each item of the consignment should also be marked with item # of the Purchase Order.

4. SHIPPING DOCUMENTS.

Shipping documents shall consist of the following:

4.1 Clean Bill of Lading.

4.2 Detail invoice showing commodity description, quantity, unit/total price, total No. of packages, etc. containing original signatures.

4.3 Packing List, (Showing total number of packages, gross/net weight & measurement and Box No. in case of more than one boxes such as Box No. 1/10, 2/1010/10 and so on and detailed of equipment in each box.

4.4 Certificate of origin.

4.5 Mill inspection/quality certificate/test report showing analysis (in case of chemicals only)

4.6 Certificate of compliance of the credit terms as per clause No. 2 in respect of Packing.

4.7 Insurance declaration. A copy of Fax sent to Insurance Co. In compliance to the Clause No. 9.

4.8 A Copy of the Fax sent in compliance to the Clause No. 6.1.

5. INSTRUCTIONS FOR COMPLETING SHIPPING DOCUMENTS:

- 5.1 The shipping invoice should be marked on top in capital words.
 - a) Complete, first and last consignment (if all the contractual material is shipped in one lot.)
 - b) First partial shipment/second partial shipment (and so on). Final and last shipment as the case may if shipments are effected in parts.
- 5.2 All Invoices should be signed, and must indicate value of the each items total value and also show 'SHIPPING MARKS' as provided in the contract.
- 5.3 All Containers of Cargo must carry invoice. In case of noncompliance the beneficiary shall pay the penalty imposed by the Custom Authority.

6. SHIPMENT INTIMATION:

- 6.1 The beneficiary within 24-48 hours of making shipment must sent fax to 1) Manager (Materials)-South, Plot No. 21, West Wharf, Karachi, Fax No. 0092-21-2311040 2) Manager (Foreign) Procurement, OGD House Plot No. 3 (New NO. 3013)F-6/G6, Blue Area, Jinnah Avenue, Islamabad. Fax No. 0092-51-9207530 & 9209673) Dy. Chief Accountant (Imports) on Fax No. 0092-51-9209803-7 intimating them the following
 - a) L/C numbers and Contract No.
 - b) Name of the Ship & Shipping Line.
 - c) Bill of Lading No. & Date.
 - d) Total CFR value of the consignment shipped.
 - e) Port of shipment.
 - f) No. of boxes/packages/pieces.
 - g) Net and gross weight.
 - h) Expected time of arrival (ETA) of ship.

7. SHIPMENT INSTRUCTIONS

- a) The contractor/Supplier/Vendor is requested to ensure that Commercial Invoice / Packing List shall be pasted on the inner side of the door of container for FCL Shipments and on Boxes / Crates / Cartons etc. for LCL Shipments. Non-Compliance to this instruction may result in heavy penalty imposed by Custom Authorities which shall be recovered from the Contractor/Supplier/Vendor.
- b) Please ensure that in case of CFR contracts the local charges at Karachi Seaport must be included in the freight cost.
- c) The freight forwarders/shipping agents at country of origin must include the corresponding local charges such as delivery order/port handling & container rentals for free time etc. Company shall pay only the wharfage/demurrage charges. They should also ensure that there should be only one local agent of the shipping company who should handle such matters. In case OGDCL had to pay such charges, it shall be recovered from the contractor.

8. INSTRUCTION REGARDING TRANSMISSION/NEGOTIATION OF SHIPPING DOCUMENTS.

8.1 ORIGINAL NEGOTIABLE DOCUMENTS:

- a) The beneficiary immediately upon making shipment(s) should negotiate the original clean shipping documents free from any discrepancy with negotiating bank as indicated in the L/C.
- b) If clean documents free from any discrepancy are not negotiated within negotiation period mentioned in the L/C, or if the documents are withheld by the Bank on account of any discrepancy whatsoever the demurrage or financial impact if any incurred due to late negotiation of clean documents will be on beneficiary's account.
- c) Original/negotiable documents must contain at least four sets of the shipping documents mentioned under Clause No. 5 above **including one set of the Parts Catalogue, Brochures, Technical Literature invariably.**
- d) The original shipping documents should be dispatched through courier service by the negotiating bank at the beneficiary's cost within 24-48 hours after receipt from the beneficiary.
- e) The discrepant documents with minor discrepancies will be accepted subject to the consent of Procurement Department to facilitate prompt clearance of the consignment on the condition that demurrage, if any due to the discrepancies reported by L/C opening bank will be on beneficiary account.

8.2 NON-NEGOTIABLE DOCUMENTS:

- a) Six complete sets of non-negotiable shipping documents **including one set of Parts Catalogue, Brochures, Technical Literature** must be dispatched to the Manager (Foreign) Procurement at the following address immediately upon shipment is effected:-

MANGER (FOREIGN) PROCUREMENT
OIL & GAS DEVELOPMENT COMPANY LIMITED
OGDC HOUSE, PLOT NO. 3 (NEW NO. 3013),
F-6/G-6, BLUE AREA, JINNAH AVENUE,
ISLAMABAD, PAKISTAN.
PHONE #. 0092-51-2623023, 920022144 & FAX #. 0092-51-9207530,
9209673

- b) Two complete sets of non-negotiable shipping documents **along with one set Parts Catalogue, Brochures, Technical Literature** must be dispatched to Dy. Chief Materials Officer at the following address immediately upon shipment is effected:-

MANAGER (MATERIALS)-SOUTH,
OIL & GAS DEVELOPMENT COMPANY LIMITED,
PLOT NO. 21, WEST WHARF ROAD,
KARACHI, PAKISTAN.
PHONE NO. 0092-21-2311108, 2313119-23 & FAX NO. 0092-21-2311040

- c) The shipping documents should be couriered through any reliable courier company at shipper's cost so that the same must be received at least 10 days before arrival of the vessel.

9. INSURANCE:

Insurance from port of shipment/delivery will be covered by openers and declaration shall be made by the beneficiary to Insurance Company i.e. M/S National Insurance Corporation, NIC Building, South Zone, Abbasi Shaheed Road, off Shakra-e-Faisal Road, Karachi (Pakistan). Fax No. 0092-21-9202734 and Dy. Chief Accountant (Imports)/OGDC LTD., Fax No. 0092-51-9209803-07 immediately after shipment giving full details of shipment e.g. value of shipment description of material, name of vessel, B/L with date, port of shipment, contract and Letter of Credit Numbers.

10. DEMURRAGE DUE TO DELAY IN RECEIPT OF ORIGINAL/NEGOTIABLE DOCUMENT / TRANSSHIPMENT AND SHIPPING LINES AGENTS:

10.1 If clean documents are not negotiated within negotiation period of the L/C or documents are withheld by bank on account of any discrepancy, the demurrage charges, if any incurred due to late negotiation of the clean documents and paid by the OGDC LTD. will be realized from the beneficiary directly by raising debit advice, or by deducting the amount paid from the L/C value or by encashing Performance Bond (if provided) to the extent of demurrage amount. In case the demurrage amount exceeds the value of Performance Bond the balance amount will be payable by the beneficiary.

10.2 Transshipment is totally prohibited under this L/C. The beneficiary must ensure that no transshipment takes place against this L/C, and demurrage paid by OGDC LTD. due to transshipment will be on beneficiary's account.

10.3 Any demurrage paid by OGDC LTD. due to inconsistency in B/L and manifest will be covered from beneficiary.

11. LIQUIDATED DAMAGES.

a) Subject to clause 22 of these conditions of Contract "General", If the contractor fails to deliver any or all of the goods within the time period(s) specified in the Contract, the Purchaser shall, without prejudice to other remedies under the contract, deduct from the contract price / Bank Guarantee as liquidated damages, a sum not more than 0.5% of the contract price per week or part thereof for first four weeks, 1.00% per week for next four weeks and 1.5% per week exceeding four weeks up to maximum extent of 5% of the contract value.

b) In case the Purchaser is satisfied that the delayed / defective shipment was due to some mistake or circumstances beyond the control of the contractor and the contractor has not intentionally or negligently contributed in the delay, the Purchaser may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment per week or part thereof for first two weeks, 1.00 % per week for next three weeks and 1.5% per week exceeding five weeks but not exceeding 5% of the contract value of the delayed/ defective shipment provided that the contractor takes immediate remedial measures for the-replacement of defective shipment and takes prompt steps to mitigate the delay. The Purchaser may however, impose Liquidated Damages as per (a) above if the delayed or defective shipment has affected the project completion schedule or has resulted in production losses.

c) Even after imposition of LDs, if the supplier fails to materialize the delivery (material and or services); the Purchaser reserves the right to cancel Purchase order/contract/LC and to forfeit the Guarantee (if applicable) after intimating the supplier for such cancellation / forfeiture.

12. AMENDMENT / EXTENSION OF L/C:

The beneficiary will positively confirm shipment of all ordered goods within L/C validity or make request for extension of shipment and negotiation dates at least 15 to 30 days prior to the expiry of L/C. If shipment is not effected within L/C validity or request for extension is not received 15 to 30 days prior to expiry of L/C validity, no request for grant of extension in shipment and negotiation will be entertained under any circumstances. In case of extension in shipment / negotiation period, the beneficiary will be required to extend the validity of his performance bond (if provided) accordingly. All charges on this account will be on beneficiary's account.

13. CHARGES FOR L/C ESTABLISHMENT:

13.1 All charges of credit opening bank for credit will be borne by the OGDCL.

13.2. All charges of corresponding bank such as negotiation of documents, adding confirmation to credit etc. will be to the account of beneficiary.

13.3. All charges for amendments/extension in L/C will be to the account of beneficiary.

**OTHER TERMS AND CONDITIONS OF THE L/C TO BE
STRICTLY COMPLIED BY THE BENEFICIARY.
(CPT BASIS)**

1. **CONSIGNEE:**

The goods must be consigned to Manager (Materials)-South, Oil & Gas Development Company Limited, Plot No. 21, West Wharf Road, Karachi. Telephone No. 0092-21-2311108, 2313119-23 and Fax No. 0092-21-2311040

2. **PACKING:**

The Packing of the merchandise must conform to the International Standards.

3. **SHIPMENT THROUGH PAKISTAN INTERNATIONAL AIRLINES (PIA) :**

The cargo / consignment must be air freighted on CPT basis, preferably (Not Mandatory) through Pakistan International Airlines on the Carriers owned or chartered by them on routes where PIA operates. The loading Airport where PIA cargo service is not available, shipment from the other Airlines is allowed.

4. **MARKING:**

4.1. All Packages/boxes must bear the Purchase Order No. as Shipping Marks, Country of Origin and Weight in Kilograms (Gross/Net). The marks must tally with shipping documents like AWB and manifest there should not be any difference.

4.2. In addition to the above mentioned shipping marks, the following procedure of color code marking is to be adopted / made on each side of the package/box/container while dispatching the material: -

“There will be an isosceles triangle with or less than six inches side, triangle side marked in black lines, letters “OGDCL” inscribed inside, the letters to be not less than 1½” tall and will be in black. On big packages/boxes/containers, the sides of triangle and letters will be increased appropriately. Underneath the triangle there will be two color code bars in “GREEN” color size six inches in length and 1½” in width. If the above color codes marking is not appropriate/suitable, the sizes and color may be changed”.

4.3. Each item of the consignment should also be marked with item # of the Purchase Order.

5. **SHIPPING DOCUMENTS.**

Shipping documents shall consist of the following:

5.1 Clean Airway Bill.

5.2 Detailed invoice showing commodity description, quantity, unit/total price, total No. of packages containing original signatures.

5.3 Packing List, (Showing total number of packages, gross/net weight & measurement and Box No. in case of more than one box such as Box No. 1/10, 2/1010/10 and so on and detailed of equipment in each box.

5.4 Certificate of origin.

5.5 Mill Inspection/Quality Certificate/Test Report showing analysis (in case of chemicals only)

5.6 Certificate of compliance to the credit terms as per clause No. 2 in respect of Packing.

- 5.7 Insurance declaration. A copy of fax sent to the Insurance Co. In compliance to the Clause No. 10.
- 5.8 A Copy of the fax sent in compliance to the Clause No. 7.1.

6. **INSTRUCTIONS FOR COMPLETING SHIPPING DOCUMENTS:**

- 6.1. The shipping invoice should be marked on top in capital words.
 - a) Complete, first and last consignment (if all the contractual material is shipped in one lot.)
 - b) First partial shipment/second partial shipment (and so on). Final and last shipment as the case may if shipments are effected in parts.
- 6.2. All Invoices should be signed, and must indicate value of the each items/total value and freight actually paid and also show 'SHIPPING MARKS' as provided in the contract.
- 6.3 All Containers of Cargo must carry invoice. In case of noncompliance the beneficiary shall pay the penalty imposed by the Custom Authority.

7. **SHIPMENT INTIMATION:**

The beneficiary within 24-48 hours of making shipment must sent fax to 1) Manager (Materials)-South, Plot No. 21, West Wharf, Karachi, Fax No. 0092-21-2311040 2) Manager (Foreign) Procurement, OGDC House Plot No. 3 (New NO. 3013) F-6/G6, Jinnah Avenue, Islamabad. Fax No. 0092-51-9207530, 9209673 Dy. Chief Accountant (Imports) on Fax No. 0092-51-9209803-7 intimating them the following:

- a) L/C numbers and Contract No. /Purchase Order No.
- b) Name of the Shipping Air Line.
- c) Airway Bill No. & Date.
- d) Flight No. & Date.
- e) Total C&F value of the consignment shipped.
- f) Air Port of shipment.
- g) No. of boxes/packages/pieces
- h) Net and gross weight.

8. **SHIPMENT INSTRUCTIONS**

- 8.1 The contractor/Supplier/Vendor is requested to ensure that Commercial Invoice / Packing List shall be pasted on the inner side of the door of container for FCL Shipments and on Boxes / Crates / Cartons etc. for LCL Shipments. Non-Compliance to this instruction may result in heavy penalty imposed by Custom Authorities which shall be recovered from the Contractor/Supplier/Vendor.
- 8.2 Please ensure that in case of CPT contracts the local charges at Karachi Airport must be included in the freight cost.
- 8.3 The freight forwarders/shipping agents at country of origin must include the corresponding local charges such as delivery order/port handling & container rentals for free time etc. Company shall pay only the wharfage/demurrage charges. They should also ensure that there should be only one local agent of the shipping company who should handle such matters. In case OGDCL had to pay such charges, it shall be recovered from the contractor.

9. **INSTRUCTION REGARDING TRANSMISSION/NEGOTIATION OF SHIPPING DOCUMENTS.**

9.1 **ORIGINAL NEGOTIABLE DOCUMENTS:**

- a) The beneficiary immediately upon making shipment(s) should negotiate the original clean shipping documents free from any discrepancy with negotiating bank as indicated in the L/C.
- b) If clean documents free from any discrepancy are not negotiated within negotiation period mentioned in the L/C, or if the documents are withheld by the Bank on account of any discrepancy whatsoever the demurrage or financial impact if any incurred due to late negotiation of clean documents will be on beneficiary's account.
- c) Original/negotiable documents must contain at least four sets of the shipping documents mentioned under Clause No. 5 above **including one set of the Parts Catalogue, Brochures, Technical Literature invariably.**
- e) The original shipping documents should be dispatched through courier service by the negotiating bank at the beneficiary's cost within 24-48 hours after receipt from the beneficiary.
- e) The discrepant documents with minor discrepancies will be accepted subject to the consent of Procurement Department to facilitate prompt clearance of the consignment on the condition that demurrage, if any due to the discrepancies reported by L/C opening bank will be on beneficiary account.

9.2 **NON-NEGOTIABLE DOCUMENTS:**

- a) Six complete sets of non-negotiable shipping documents including one set of Parts Catalogue, Brochures, Technical Literature must be dispatched to Manager (Procurement)-II at the following address immediately upon shipment is effected:-

MANGER (FOREIGN) PROCUREMENT
OIL & GAS DEVELOPMENT COMPANY LIMITED
OGDC HOUSE, PLOT NO. 3 (NEW NO. 3013),
F-6/G-6, BLUE AREA, JINNAH AVENUE,
ISLAMABAD, PAKISTAN.
PHONE NO. 0092-51-2623023, 920022144 & FAX NO. 0092-51-9207530,
9209673

- b) Two complete sets of non-negotiable shipping documents along with one set of Parts Catalogue, Brochures, Technical Literature must be dispatched to Manager (Materials)- South at the following address immediately upon shipment is effected:-

MANAGER (MATERIALS)-SOUTH,
OIL & GAS DEVELOPMENT COMPANY LIMITED,
PLOT NO. 21, WEST WHARF ROAD,
KARACHI, PAKISTAN.
PHONE NO. 0092-21-2311108, 2313119-23
FAX NO. 0092-21-2311040

- d) The shipping documents should be couriered through any reliable courier company at shipper's cost so that the same must be received at least 10 days before arrival of the vessel.

10. **INSURANCE:**

Insurance from port of shipment/delivery will be covered by openers and declaration shall be made by the beneficiary to Insurance Company i.e. M/S National Insurance Corporation, NIC Building, South Zone, Abbasi Shaheed Road, off Shahra-e-Faisal Road, Karachi (Pakistan). Fax No. 0092-21-9202734 and Dy. Chief Accountant (Imports)/OGDC LTD., Fax No. 0092-51-9209803-7 immediately after shipment giving full details of shipment e.g. value of shipment description of material, Flight No., Airway Bill No. with date, Airport of shipment, contract and Letter of Credit Numbers.

11. **DEMURRAGE DUE TO DELAY IN RECEIPT OF ORIGINAL/NEGOTIABLE DOCUMENT/TRANSSHIPMENT AND SHIPPING LINES AGENTS:**

11.1 If clean documents are not negotiated within negotiation period of the L/C or documents are withheld by bank on account of any discrepancy, the demurrage charges, if any incurred due to late negotiation of the clean documents and paid by the OGDC LTD. will be realized from the beneficiary directly by raising debit advice, or by deducting the amount paid from the L/C value or by encashing Performance Bond (if provided) to the extent of demurrage amount. In case the demurrage amount exceeds the value of Performance Bond the balance amount will be payable by the beneficiary.

11.2 Transshipment is totally prohibited under this L/C. The beneficiary must ensure that no transshipment takes place against this L/C, and demurrage paid by OGDC LTD. due to transshipment will be on beneficiary's account.

11.3 Any storage charges paid by OGDC LTD. due to inconsistency in AWB and manifest will be covered from beneficiary.

12. **LIQUIDATED DAMAGES**

a) Subject to clause 22 of these conditions of Contract "General", If the contractor fails to deliver any or all of the goods within the time period(s) specified in the Contract, the Purchaser shall, without prejudice to other remedies under the contract, deduct from the contract price / Bank Guarantee as liquidated damages, a sum not more than 0.5% of the contract price per week or part thereof for first four weeks, 1.00% per week for next four weeks and 1.5% per week exceeding four weeks up to maximum extent of 5% of the contract value.

b) In case the Purchaser is satisfied that the delayed / defective shipment was due to some mistake or circumstances beyond the control of the contractor and the contractor has not intentionally or negligently contributed in the delay, the Purchaser may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment per week or part thereof for first two weeks, 1.00 % per week for next three weeks and 1.5% per week exceeding five weeks but not exceeding 5% of the contract value of the delayed/ defective shipment provided that the contractor takes immediate remedial measures for the-replacement of defective shipment and takes prompt steps to mitigate the delay. The Purchaser may however, impose Liquidated Damages as per (a) above if the delayed or defective shipment has affected the project completion schedule or has resulted in production losses.

c) Even after imposition of LDs, if the supplier fails to materialize the delivery (material and or services); the Purchaser reserves the right to cancel Purchase order/contract/LC and to forfeit the Guarantee (if applicable) after intimating the supplier for such cancellation / forfeiture.

13. **AMENDMENT / EXTENSION OF L/C:**

The beneficiary will positively confirm shipment of all ordered goods within L/C validity or make request for extension of shipment and negotiation dates at least 15 to 30 days prior to the expiry of L/C. If shipment is not effected within L/C validity or request for extension is not received 15 to 30 days prior to expiry of L/C validity, no request for grant of extension in shipment and negotiation period will be entertained under any circumstances. In case of extension in shipment/negotiation period, the beneficiary will be required to extend the validity of his performance bond (if provided) accordingly. All charges on this account will be on beneficiary's account.

14. **CHARGES FOR L/C ESTABLISHMENT:**

14.1 All charges of credit opening bank for credit will be borne by the OGDC LTD.

14.2 All charges of corresponding bank such as negotiation of documents, adding confirmation to credit etc. will be to the account of beneficiary.

14.3. All charges for amendments/extension in L/C will be to the account of beneficiary.