

II – INSTRUCTIONS TO BIDDERS (ITB)

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1.0 GENERAL

1.1 Project Background & Introduction

Oil & Gas Development Company Limited (OGDCL) hereinafter called Company is the national flagship Oil & Gas Company of Pakistan. The company is actively engaged in exploration, drilling and production activities and is market leader in terms of acreage reserves and production. Company is operator of Jhal Magsi Field, located in Jhal Magsi District Baluchistan Province, a JV of OGDCL (56 %), Pakistan Oil Fields POL (24%) and Government Holdings Pvt. Limited GHPL (20 %).

The Economic Coordination Committee (ECC) of the Cabinet has allocated Jhal Magsi Gas to OGDCL for sale to any third party selected through a competitive bidding process under Term of Gas Sale & Purchase Agreement (GSPA).

OGDCL has decided to proceed to carry out competitive bidding process for the allocation of Jhal Magsi gas (raw gas or processed gas) to potential buyer offering a highest economic value of Jhal Magsi Gas to JHAL MAGSI JV.

OGDCL will execute a GSPA with the Successful bidder, the gas will be supplied at field gate and title of gas will be shifted to successful bidder. All the GoP & Regulatory Bodies approvals related to utilization of this gas will be responsibility of Successful bidder.

This Bidding Document contains required information necessary for preparation of the Bid Proposal. The Bidders are advised to carefully review and examine the Document.

1.2 Project Concept and Proposed Scheme

1.2.1 Raw Gas

In case, option of Raw Gas is finalized after bidding process,

OGDCL will install gas gathering, gas separation, oil storage, and gas metering system. Raw Gas of Jhal Magsi contains Gas, Condensate and produced water, separation of all three phases shall be carried out prior to the metering.

OGDCL will provide Separator gas through metering skid to the delivery point for custody transfer to buyer (i.e OGDCL Field Gate)

OGDCL will supply raw gas as per volume, conditions & specifications mentioned on Section III of this tender document

Buyer will install - necessary facilities for utilization of raw gas (as proposed by Buyer in the technical bid document to be submitted to OGDCL under this tender).

Buyer will be responsible to deliver 1 MMscfd (approx.) Processed Gas of Pipeline quality (by installing necessary processing facilities) through metering (to be installed by Buyer) at buyer field gate back to OGDCL for supply to Jhal Magsi Town. OGDCL will not make any payment for this 1 MMscfd Gas.

Buyer will have the right to sell or utilize 100% of the Gas by it under its own arrangement. All the arrangements of gas selling or utilization after the delivery point will be responsibility of Buyer.

Buyer will be responsible to take or pay for 85% of gas as per annual contract quantity on annum basis.

Refer Figure below, for the proposed arrangement for OGDCL and Buyer.

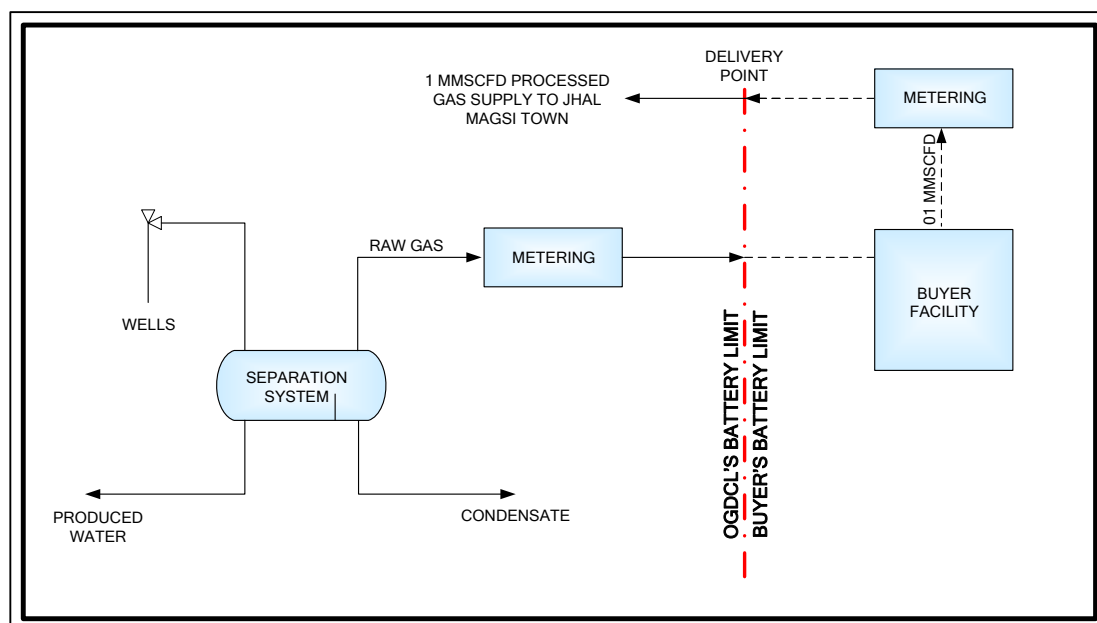


Figure 1: Raw Gas Schematic Diagram

1.2.2 Processed Gas

In case, option of Processed Gas is finalized after bidding process,

OGDCL will install Gas Processing Plant treat the raw gas to meet the processed gas quality specifications as given in Section-III. Gas processing plant shall consist of the following facilities as minimum:

- Separation Units.
- Gas treatment unit (Amine Unit, Dehydration Unit)
- Metering system
- Offsite and utility systems including power Generation

OGDCL will provide processed gas through metering skid to the delivery point for custody transfer to buyer (i.e OGDCL Field Gate)

OGDCL will supply processed gas as per volume, conditions & specifications mentioned on Section III of this tender document

Buyer will install necessary facilities like gas compression, gas liquefaction, gas utilization, gas transportation etc (as proposed by Buyer in the technical bid document to be submitted to OGDCL under this tender).

Buyer will have the right to sell or utilize 100% of the Gas by it under its own arrangement. All the arrangements of gas selling or utilization after the delivery point will be responsibility of Buyer.

Buyer will be responsible to take or pay for 85% of gas as per annual contract quantity on annum basis.

Refer below figure, for the proposed arrangement for OGDCL and Buyer.

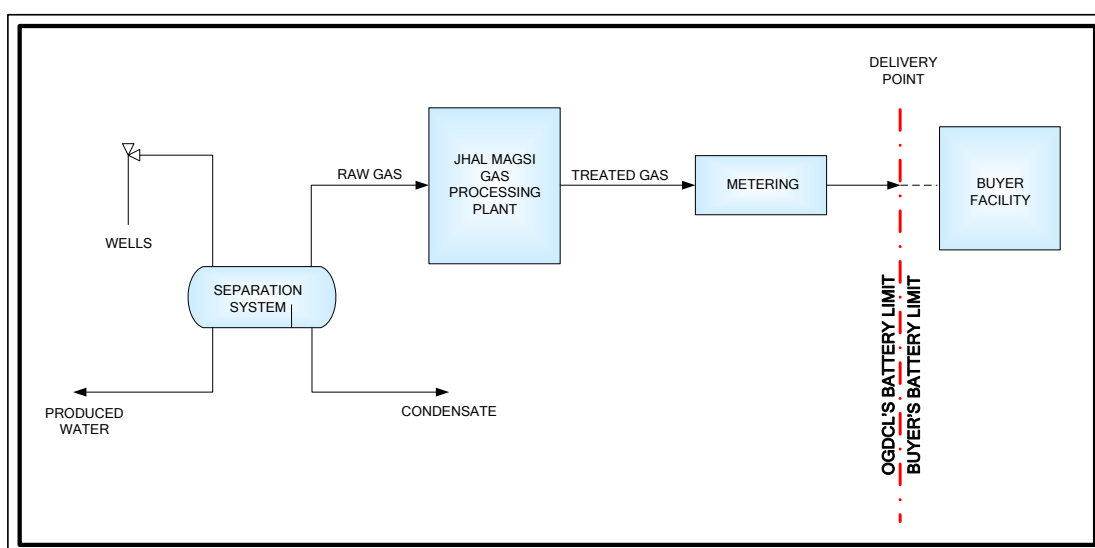


Figure 2: Processed Gas Schematic Diagram

1.3 OGDCL's Obligations

OGDCL shall be responsible for providing successful bidder the following:

- a) Providing facilitation letters only for permits and approvals which successful bidder may require for the execution of his intended Project Works but it is the sole responsibility of the successful bidder to obtain timely permits and approvals, any delays in this regard shall be on buyer's account.
- b) Supply of Gas as Raw or Processed as per volume, conditions & specifications mentioned in Section III, as applicable to successful bidder.
- c) OGDCL shall make Gas available for delivery to Successful bidder, However, OGDCL shall not be responsible for any variations i.e.
 - i. In the volume of raw gas or its composition or characteristics attributable to natural causes beyond reasonable control of OGDCL.
 - ii. In the volume of processed gas attributable to natural causes beyond reasonable control of OGDCL.

1.4 Buyer's (Raw/Processed) -Obligations

- a) In case of Raw Gas, Install necessary facilities for the utilization of raw gas (as proposed by Buyer in the technical bid document to be submitted to OGDCL under this tender) and install necessary processing and metering facilities to deliver 1 MMscfd processed gas of pipeline quality back to OGDCL for supply to Jhal Magsi Town, within 18 months of signing of GSPA with OGDCL
- b) In case of Processes Gas, Install necessary facilities like gas compression, gas liquefaction, gas utilization, gas transportation etc (as proposed by Buyer in the technical bid document to be submitted to OGDCL under this tender) within 18 months of signing of GSPA with OGDCL
- c) Purchase/lease required land outside OGDCL premises (preferably near to vicinity of Jhal Magsi Facility) to set-up the intended project and its related facilities and Right Of Way (ROW).
- d) Obtain all necessary approvals from relevant government agencies/ authorities (including Environmental Protection Agencies) for setting-up

the intended project including requisite license from Oil & Gas Regulatory Authority (OGRA).

- e) Obtain required/relevant (like tie-ins etc.) approvals from OGDCL. Provide data/documents as per OGDCL requirements related to tie-ins.
- f) Report monthly progress during implementation phase of the intended project within first week of month.
- g) Provide access to OGDCL/Consultant during construction period of the intended project
- h) Procurement, construction/installation & operation of gas pipeline.
 - i. In case of Raw Gas Purchase, pipeline from the designated battery limits of OGDCL facilities to the intended project and One (01) MMSCFD processed gas delivery pipeline from intended project back to OGDCL Custody Transfer System for its supply to Jhal Magsi Town.
 - ii. In case of Processed Gas Purchase, pipeline from the designated battery limits of OGDCL facilities to the intended project
- i) Establish communication plan and operate facilities for regular and effective communication with OGDCL field facilities.
- j) Manage the intended project execution and construction activities and handle the local communities' issues etc.
- k) The timely completion of the intended Project by the buyer shall be the essence of the Contract, as OGDCL has to meet its obligations for Supply of Gas. Accordingly, the Buyer (Successful Bidder) is required to complete the intended project (e.g. design engineering, procurement, construction, installation / erection, pre-commissioning, commissioning & startup of intended Project as applicable) within Eighteen (18) months which is gas delivery period from date of establishment of signing GSPA.
- l) Worksite security for the intended project shall be the sole responsibility of Buyer. Buyer shall provide 24-hour security coverage (weekends and Public Holidays included) to cover all worksites, where Work is performed or documentation or other items in any way connected with the Work are

kept. The Buyer security officers shall coordinate with OGDCL's security officers for the effectiveness of the Security Coverage.

- m) Security, movement & provision of NOC for expatriates from all concerned government departments, intimation to District Police Officers / Police Stations will be responsibility of the successful bidder.
- n) Provision of all lighting, guards, fencing, safeguards and security measures for protection of the work and safety of personnel.
- o) Successful bidder shall be responsible to provide security during the movement of all personnel.
- p) Establishing site safety rules and providing Competent Safety Officer(s) to be present at all times ensuring that safety, health and environmental requirements are enforced during the construction/operation of the intended project.
- q) Undertake the operation and periodical maintenance of intended project, related facilities and pipelines under the battery limit of buyer in a safe manner.
- r) Take or Pay for 85% of gas as per annual contract quantity on annum basis.
- s) In case of Raw Gas, deliver, free of cost, 1 MMscfd processed gas of pipeline quality back to OGDCL for Jhal Magsi town.

2. BIDDING DOCUMENT PACKAGE

2.1 Description

2.1.1 The Bidding Document shall comprise the following together with any Addendum that may be issued from time to time.

- Section – I : Invitation to Submit Bid Proposal(s)
- Section – II : Instruction to Bidders
- Section – III : Proposed Arrangement, Gas Offered, Metering & Field Data.
- Section-IV : Draft GSPA

2.1.2 Appropriate sections of the Bid proposal (i.e. Technical/Financial) to be submitted and Addenda or selected sections of this Document Package as appropriate may be incorporated in the GSPA that will be executed by OGDCL with the successful Bidder.

2.1.3 It is emphasized that this Bidding Document will become part of the GSPA, to be adopted, for installation of intended project. The Bidder therefore, is expected to examine all instructions, terms and conditions and specifications, etc. Failure to furnish all information required or submission of a Bid proposal not substantially responsive, to the Bidding Document in every respect shall be at the Bidder's risk and may result in the rejection of such bid proposal.

2.1.4 Bidder is encouraged to make any additional inquiries or investigations necessary to become fully informed of all conditions which may affect the effective execution of the intended project. Failure on the part of the Bidder to diligently investigate any condition which may alter the intended project shall not relieve the Bidder of the responsibility of executing GSPA.

2.1.5 The Bidding Document is and shall remain the property of OGDCL and has been provided to bidder solely for the purpose of preparation of his bid proposal. The Bidding Document has been provided subject to the undertakings of confidentiality executed by bidder on receipt of the Document. In accordance with this undertaking the bidder shall keep all information confidential and shall not release it to any third party, other than to any prospective sub-contractor who may bid on a component of the intended project as a member of the Bidder's team.

- 2.1.6 The prospective Bidder shall carefully study and examine the Tender Document and Instructions and comply with all requirements of preparation of the Bid. Failure to furnish all information required by the Tender Document or submission of a Bid not substantially responsive to the Tender Document in every aspect will be at the Bidder's risk and may result in the rejection of the Bid.

2.2 Clarifications of Bidding Document Package

The Bidder requiring any clarification in any respect, may notify OGDCL/ENAR in writing through letter/e-mail or fax. OGDCL/ENAR shall respond to such clarifications request, in writing, through letter/e-mail or fax, as appropriate. Copies of OGDCL/ENAR response (including clarifications sought) shall be sent to all Bidder without disclosing the name of the Bidder who has initiated the clarification. All clarifications should be addressed to;

Consultant ENAR

Abed Hasan Burney
Project Manager (Sale of Jhal Magsi Gas Project)
ENAR Petrotech Services (Private) Limited
7-B, Korangi Industrial Area
Adjacent NRL, Korangi
Karachi, Pakistan
Telephone: (92-21) 35065210
Fax No.: (92-21) 506 7522
E-mail: abed.burney@enar.com.pk

OGDCL

- a) **Manager Procurement (Foreign)**
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)
Telephone: (92-51) 920022144
Email: irshad_muhammad@ogdcl.com
- b) **Muhammad Iqbal Memon**
Manager Projects (Nashpa – Jhal Magsi)
Oil & Gas Development Company Limited
OGDCL House 9th Floor Tower-C, Jinnah Avenue Blue Area
Islamabad Pakistan
Telephone (92-51) 2623040
Cell: 0335-5744428
E-mail: Iqbal_memon@ogdcl.com

- c) **Zahid Rauf**
Deputy Chief Engineer Projects (Jhal Magsi)
Oil & Gas Development Company Limited
OGDCL House 9th Floor Tower-C, Jinnah Avenue Blue Area
Islamabad Pakistan
Telephone (92-51) 920022230
E-mail: Zahid_rauf@ogdcl.com

2.3 Amendments to Bidding Document Package

OGDCL, prior to the deadline for the submission of bids proposals may modify or make additions/deletions to the Bidding Document by issuing amendment(s). These amendment(s) may be based on OGDCL's own initiative or it may be in response to request(s) for clarification from Bidders. The amendments shall be notified, in writing, to all Bidders. If it is felt that an extension of time, for the submission of bid proposal is required on account of the amendment(s) issued, OGDCL may, at its discretion, extend the deadline for submission of the bid proposals.

2.4 Pre-Bid Site Visit

The Bidders are required to visit the project site at their own expense. OGDCL will coordinate the visit and inform the bidders about the exact date and timing of the visit. The visit is expected to take place not later than two (02) weeks from the date of Tender Notice publication. During the visit the Bidders should examine the site and its surroundings. The Bidders should verify the information provided in the Tender Document, it is the responsibility of the bidder to assess the requirements and obtain all information that may be required and is necessary for preparing the Bid and executing GSPA with OGDCL.

The request for site visit(s) as per format attached in Invitation To Bid should be sent to OGDCL in a timely manner. The cost to be incurred on the visit shall at Bidder's expense. The Bidder and any of its personnel or Agents/ Consultants will be granted permission by OGDCL to enter upon its facilities for the purpose of such visit, but only upon the express condition that the Bidders, its personnel or Agents/Consultants will release and indemnify OGDCL its personnel Agents/Consultants from and against all liability in respect thereof including personal injury (whether fatal or otherwise) and any other loss, damage, costs and expenses.

2.5 Pre-Bid Meeting

A pre-bid meeting shall be held on the next day of the Site Visit upon formal request from bidders, if required. The venue, date and timing of the meeting will be notified by OGDCL in due course. The Bidders are advised to attend the pre-bid meeting and obtain clarifications and information necessary for preparation of bid document.

2.6 Kick-off Meeting

After Signing GSPA, a kick-off meeting will be held between successful bidder and OGDCL at OGDCL Head Office, Islamabad, Pakistan. In this meeting discussions will be held on but not limited to the following points:

- Discussion with respect to execution plan and schedule (Level-2)
- Plant access procedure
- Procedure for Coordination
- Security issues
- Safety Issues
- Communities issues

2.7 Consortiums/Joint Venture Bid Proposals

Bids submitted by a joint venture/consortium of two or more firms as partners shall comply with the following requirements:

- a) The bid, and in case of a successful bid the GSPA, shall be signed so as to be legally binding on all partners.
- b) One of the partners shall be nominated as being lead partner and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners and certified by Notary Public.
- c) The lead partner shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture/ consortium and the entire execution of the GSPA. All the payments for sales of Raw/Processed gas shall be received by OGDCL from lead partner.
- d) All partners of the joint venture/consortium shall be liable jointly and severally for the execution of the GSPA in accordance with the GSPA terms,

and a relevant statement to this effect shall be included in the authorization mentioned under Clause (b) above as well as in the Form of Bid and the GSPA (in case of a successful bid).

- e) A copy of the Memorandum of Understanding (MoU) entered into by the consortium/Joint Venture Partners broadly, outlining the relationship and responsibilities with respect to Jhal Magsi Raw/Processed Gas Sales Project shall be submitted with the Bid.
- f) Within seven (7) days of issuance of notification of intent to award from OGDCL the successful Bidder shall furnish a copy of Joint Venture/Collaboration Agreement entered into by consortium/joint venture partners to OGDCL
- g) Responsibility Matrix, showing the role of all JV Partners for the intended project shall be submitted.

2.8 Cost of Bidding

- a) The Bidder shall bear all costs associated with the preparation and submission of its bid, and OGDCL will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- b) The Bidder shall bear all costs of obtaining and submitting Bid Bond, and all other documents required as per instructions in the Tender Document.

2.9 Assurance

The Successful bidder and OGDCL will be required to give satisfactory assurance of their ability to install gas processing/handling facility pursuant to the GSPA within the time set forth therein.

3.0 PREPARATION OF BID PROPOSALS

3.1 Language of Bid Proposal

The Bid proposal shall be type written or printed. Bidder bid proposal, correspondence, standards, specifications, drawings and documents, submitted with the bid proposal, shall be in English only. Document in other languages with English translation shall not be accepted.

3.2 Documents Comprising the Bid Proposals

The selection of bidder will be on the basis of two (02) stage two (02) envelopes method. The Bid proposal to be prepared by the Bidder under two separate covers, “Technical Bid Proposal” and “Financial Bid Proposal” and shall comprise the following:

3.2.1. Technical Bid Proposals

3.2.1.1. General

The following information shall be submitted, separately, with the Technical Bid Proposal:

- a) Format of Letter of Bid Proposal submission (**Annexure – I**)
- b) A power of Attorney of the person authorized to sign the bid proposal and to represent the Bidder in all matters relating to the GSPA, duly certified by a Notary Public.
- c) Undertaking on the Bidder’s Company’s letter head stating Bidder shall abide by all National, Federal, Provincial or Local Laws, Regulations of Pakistan and procedures which are and shall be applicable to the execution of GSPA.
- d) Bidder’s confirmation on the Bidder’s Company’s letterhead that the bidder’s offered gas price for Raw or Processed Gas are in accordance with guidelines provided in Annexure II
- e) Undertaking on Bidder’s Company’s Letter Head for non-disclosure of information except for the sole purpose of this bidding process or performing of works under the GSPA.
- f) Complete original set of tender documents each page duly stamped and initialed by authorized official to signify that the bidder has reviewed all the documents and his bid is in compliance with the requirements stated therein.

- g) A statement of total compliance with the requirement of Bidding Document including the draft GSPA on Bidder's Letter Head.
- h) Original bid bond in shape of Bank Guarantee/Pay Order/Demand Draft equal to US \$ 75,000 – in case of Raw Gas and US \$ 5,000/MMscfd in case of Processed Gas. The format of Bank Guarantee shall be as given in (**Annexure – III**).
- i) Confirmation of Period of validity of the Bid Proposal on Bidder's Letter Head in accordance with section 3.3.
- j) A statement on the validation of the Bidding Document Package on the bidder's letter head. The statement shall confirm that the data/information provided to the Bidder has been thoroughly checked and the Bidder is satisfied with its suitability and sufficiency in order to execute the GSPA.
- k) Certified copy of Joint Venture Agreement or Memorandum of Understanding or any other legal document entered into by the Joint Venture Consortium Partners (if applicable)
- l) Corporate & Financial information of Bidder and its consortium/joint venture partners as per format given in (**Annexure – V**).
- m) Bidder is required to submit Integrity Pact as per format given in **Annexure-VI**
- n) Financial Soundness (Last 03 Years Annual Audited Accounts and Bank Certificates)
- o) Bidder shall provide certificate of financial soundness from reputed Bank/Financial Institution.
- p) National Tax Number Certificate, Provincial Sales Tax Certificate and General Sales Tax of relevant Tax Authorities.
- q) Bidder must have Active Tax Payer status with FBR In case of Local Buyer.
- r) Litigation / arbitration record

3.2.1.2. Technical Details of intended project (for Raw Gas or Processed Gas)

The technical bid proposal shall contain following information/details and documents as a minimum:

- a) Complete profile of background profile and data about its capabilities, experience, resources and credentials of Bidder and its nominated contractors.
- b) Sufficient details of technology and process (including the basis of selection of technology/process) to be employed along with background and profile of licensor(s)/Vendor and data about commercial viability of the process.
- c) Plant design details covering:
 - Plant layout
 - Main equipment summaries
 - Details of offsites & utilities
 - Plant shutdown and control philosophy along with tie-in / by pass operation and control with OGDCL facilities
 - Details of all applicable codes and standards of petroleum industry.
- d) A detailed project execution plan covering all stages of the intended project (Basic design, detailed engineering, procurement, construction, commissioning and start of commercial operation.
- e) Proposed master and level-2 project schedule, showing the interface activities of intended project execution.
- f) A statement that the Plant/equipment/material to be installed under the intended Project must be in workable condition with sufficient life (at-least 10 years) for the intended project (Certificate/evidence to be provided by bidder)
- g) Certificate/ undertaking for Intended project warranties and guarantees
- h) Intended Plant details such as mean time to failure(MTTF) , mean time between failure(MTBF), any other documents for assessment of plant reliability and operability.

- i) Procedures on HSE as per industrial practices to be employed during execution and operation of the Plant.
- j) Project co-ordination procedures and progress reporting system and other information including interface with local departments/agencies.
- k) Plan for avoiding, noise, air pollution, effluent, oil discharge and soil erosion during the project execution and operation as per applicable NEQS
- l) Plan for operation of the intended project with Organogram and details of resources to be deployed.
- m) Copy of license for production and marketing (if applicable) of intended project issued by OGRA.
- n) Any other technical or general information which in the bidder opinion is necessary for a better assessment of his proposal.
- o) Procedures applicable for HSE in project design, construction and operation in line of good industrial practices.
- p) Details of Risk assessment for the intended project and involve risks mitigation plan.
- q) Documents related to Intended project financing mechanism and details

3.2.2. Financial Bid Proposal

The financial bid proposal will comprise of the Bidder's offer price as applicable (Raw or Processed Gas) as per guidelines provided in Annexure II.

3.3 Bid Proposal Validity

- 3.3.1 Bids proposal shall remain valid and open for acceptance for a period of 180 days after the date of bid opening.
- 3.3.2 In exceptional circumstances, prior to expiry of the original bid validity period, OGDCL may request the bidder for an extension in the period of validity of its bid proposal. The request and the responses thereto shall be made in writing or by letter or telefax. Extension if agreed shall also be applicable to Bid Bond.

3.4 Bid Bond

- 3.4.1 Bidder, at its cost shall submit a Bid Bond as part of its Bid for an amount equal to US\$ 75,000 – in case of Raw Gas and US \$ 5,000/MMscfd in case of Processed Gas or in equivalent Pakistani Rupees based on prevailing (issued date of Bid Bond)) inter bank exchange rate. The Original Bid Bond shall be submitted as part of Technical Bid Proposal and it shall be in the form of a bank guarantee or pay order/demand draft. The bank guarantee should be issued by banks acceptable to OGDCL. The Bid Bond shall be as per format given in Annexure – III:
- 3.4.2 Any Bid proposal not accompanied with Bid Bond of required amount will be considered as non-responsive and shall be rejected by OGDCL and returned to the party.
- 3.4.3 Bid Bond may be en-cashed if the Bidder unilaterally withdraws or modifies the Bid proposal during the Bid proposal validity period.
- 3.4.4 Bid Bond of the successful Bidder shall be returned on submission of the Performance Bond and signing of the GSPA . If the successful Bidder fails to submit the Performance Bond on the given format (Annexure – IV) within the specified period, the Bid Bond shall be en-cashed.
- 3.4.5 Bid Bond of each unsuccessful Bidder shall be returned thirty (30) days after the expiry of Bid Validity Period.

3.5 Format and Signing Bids

- 3.5.1 The Bidder shall prepare one original and two (02) copies of the documents comprising the bid proposal as per Instructions to Bidder given in (ITB). The original and copies of the bid proposal shall be clearly marked "ORIGINAL" and "COPY" as appropriate. In the event of any discrepancy between them, the original shall prevail.
- 3.5.2 The original and copies of the bid proposal shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to bind the Bidder to the GSPA. Proof of authorization shall be furnished in the form of a written

Power-of-Attorney issued in the country of Bidder and duly certified by Notary Public, which shall accompany the Technical Bid Proposal. All pages of the bid proposal shall be initialed by the person or persons signing the bid proposal.

- 3.5.3 The complete Bid proposal(s) shall be without alterations or erasures, except those to accord with instructions issued by OGDCL, or as necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the Bid proposal.
- 3.5.4 The Bid proposals shall comprise two separate parts namely "Technical Bid Proposal" and "Financial Bid Proposal".

4.0 SUBMISSION OF BID PROPOSAL

4.1 Sealing and Marking of Bid Proposals

4.1.1 For the submission of Bid proposal a two (02) stage two (02) envelopes method shall be adopted. Technical and Financial Bid Proposals shall be submitted in separate envelopes. Both the envelopes should then be put in one sealed envelope as described below:

4.1.2 The Original Technical and Financial Bid Proposals shall be separately placed in an inner envelope marked as Technical Bid Proposal (Original) or Financial Bid Proposal (Original) as the case may be each inner envelope shall be sealed in an outer envelope which shall also be marked copies of the Technical and Financial Bid Proposals and shall be sealed and marked in separate inner and outer envelope.

4.1.3 The sealed envelope shall be addressed to :-

General Manager (SCM)
Oil & Gas Development Company Limited
1st Floor, OGDCL House, Blue Area
Islamabad, Pakistan
Telephone: (92-51) 920 9882
Fax No.: (92-51) 920 9859

BID PROPOSAL FOR SETTING-UP INTENDED PROJECT
DO NOT OPEN BEFORE _____

4.1.4 The sealed envelope shall also indicate the name of Field as well as name and address of the Bidder to enable the bid to be returned unopened in case it is declared LATE.

4.1.5 If the sealed envelopes are not marked as per above given instructions OGDCL shall assume no responsibility for misplacement or premature opening of the Bid proposal.

4.2 Deadline for Submission of Bid Proposals

- 4.2.1 The Bid proposal comprising Technical and Financial Bid Proposals as per requirements given in this document must be delivered on or before 1100hrs PST on _____ at OGDCL Head Office, Islamabad, Pakistan. OGDCL at its discretion may extend the deadline for submission bids by issuing an amendment.
- 4.2.2 OGDCL shall assume no responsibility whatsoever for collection of bid from any address/location courier office etc.
- 4.2.3 Bid proposals received without Bid Bond or shorter period of validity shall not be accepted by OGDCL.

4.3 Late Bids

Any Bid received after the deadline for submission of Bids prescribed by OGDCL will be rejected and returned unopened to the Bidder at his sole cost and risk.

4.4 Modification and Withdrawal of Bid Proposals

- 4.4.1 The Bidder may modify or withdraw the bid proposal after its submission by notifying in writing, before the specified deadline for submission of bid proposals. Withdrawal notice received by e-mail or fax must be followed by a signed confirmation copy marked not later than the deadline date. For submission of modifications to Technical or Financial Proposals, before the expiry of deadline, sealing and marking procedures, as described in Item 4.1 of ITB shall be followed.
- 4.4.2 No bid proposal shall be modified subsequent to the deadline for submission of bid proposals.

5.0 BID OPENING, CLARIFICATIONS & EVALUATION

5.1 Bid Opening

OGDCL will first open Technical bid proposals, in presence of Bidder's representatives who choose to attend, at 1130 hrs (PST) on _____ at the following location:

OIL & GAS DEVELOPMENT COMPANY LIMITED
OGDCL HOUSE, BLUE AREA
ISLAMABAD
PAKISTAN

The Bidder's representatives who are present shall sign a register evidencing their attendance.

The Financial Bid Proposal of technically responsive bids will be opened on above location in presence of Bidder's representative who chooses to attend. The date and timings of financial bid proposal will be intimated to relevant Bidder.

5.2 Clarifications of Bid Proposals

During evaluation process of both Technical and Financial Bid Proposals, OGDCL/ENAR at its discretion, may ask the bidder for clarifications and/or additional information or documents. The request for clarification and response shall be in writing and shall become part of Bid Proposal Document.

5.3 Evaluation of Bid Proposals

The evaluation will consist of four (4) stages:

- Summary rejection criteria
- Determination of Eligibility as per Eligibility Criteria
- Evaluation of technical bid proposals
- Evaluation of financial bid proposals

The following paragraphs present the coverage of each evaluation stage; any bid rejected in a stage will not be considered for evaluation of next stage.

5.3.1 Criteria for Summary Rejection of Bid

The Bid Proposals not meeting the following mandatory criteria shall be summarily rejected without right of appeal:

- Bid must be prepared in English language
- Bid must be prepared as instructed vide clause 3.0 thereof.
- Bid must be valid for “180” days from the Date of Technical Bid Opening.
- Bid must be accompanied with a Bid Bond as specified in Clause 3.4 hereof.
- Bid must reach at the specified OGDCL address before “1100” Hours PST on _____.
- Bid must not be submitted in form of fax or e-mail.
- Bid must be on Company’s original letter head / pad.
- The Offshore companies registered at places e.g. Virgin Cayman, Nausa, Jersey and Bohaman Islands shall not be eligible nor entertained and bids if submitted shall be rejected.
- Applicant must not be black listed with any agency or organization or/ and applicant has never indulged in corrupt, fraudulent or collusive practices for procuring contracts. An affidavit confirming this shall be provided with the proposal.
- Submission of duly signed and initialed copy of Tender Document along with Appendices, Annexures & Attachments referred therewith. Signing and stamping shall mean validation and compliance to all the details included in Tender Document.

5.3.2 Eligibility Requirements

Bidders must meet the following eligibility requirements:

- a) The net worth of Buyer shall be equivalent to US \$ 15 Million in case of Raw Gas.

In case of processed gas sales net worth of company shall be as follows:

- Volume 1 - 4 MMscfd, US \$ 200,000/ MMscfd
- Volume 5-8 MMscfd, US \$ 800,000 + US \$ 100,000/MMscfd for volume exceeding 4 MMscfd
- Volume 9-13 MMscfd, US \$ 1,200,000 + US \$ 50,000/MMscfd for volume exceeding 8 MMscfd

- b) The Project must be completed within **Eighteen (18) months** which is gas delivery period from date of signing GSPA.

- c) The Buyer shall offer gas price in accordance with guidelines provided in - Annexure - II for each type of gas (i.e. Raw or Processed). Buyer shall provide a letter along with technical bid to confirm this aspect.
- d) The Plant/equipment/material to be installed under the intended Project must be in workable condition with sufficient life (at-least 10 years) for the intended project (in case Buyer is utilizing used plant/equipment/ material Third Party Certification shall be provided to confirm this aspect and produced in and supplied from the countries maintaining bilateral trade relation with the Islamic Republic of Pakistan.
- e) In case of Raw Gas,
 - i. The Buyer must have operated one (01) project of gas processing, gas compression, gas liquefaction, gas utilization or gas transportation etc (as proposed for this Jhal Magsi Gas)
 - ii. The Buyer shall be responsible to deliver 1 MMSCFD Processed gas of Pipeline Quality - back to OGDCL for supply to Jhal Magsi Town.
- f) In case of Processed Gas,

The Buyer must have operated one (01) project of gas compression, gas liquefaction, gas utilization or gas transportation etc. (as proposed for this Jhal Magsi Gas)

Bidder must submit details of such above project with relevant information. In case bidder operated the plant through O&M agreement then provide the documentary evidence (O&M agreement) for their successful Operation as applicable. Projects without documentary evidence for successful Operation will not be considered.

In case of joint venture, the experience of Partner Incharge shall be considered based on the responsibility matrix.

- g) Undertaking on the Bidder's Company's letterhead stating Bidder shall abide by all National, Federal, Provincial or Local Laws, Regulations of Pakistan and procedures which are and shall be applicable to the execution of GSPA

- h) Bidder's confirmation on the Bidder's Company's letterhead that the bidder's offered gas price for Raw or Processed Gas are in accordance with guidelines provided in Annexure-II
- i) Bidder must have Active Tax Payer status with FBR in case of local buyer.

5.3.3 Evaluation of Technical Bid Proposals

The technical bid proposals will be reviewed in detail with the objective of ascertaining their compliance and responsiveness to the provisions 3.2.1 of Bidding Document. The following aspect/areas will be considered for technical evaluation.

Area
1. Compliance to Bid submission & Provision of Documents mentioned at 3.2.1 (a) and 3.2.1 (b)
2. Proposed technology/process its workability
3. Proposed project organization
4. Buyer experience
5. Detailed execution plan and schedule (Level-2) to meet project timeline of 18 months
6. Proposed Plant details such as mean time to failure (MTTF), mean time between failure (MTBF), any other documents for assessment of plant reliability and operability.
7. Intended project warranties and guarantees
8. Proposed operational plan
9. Intended project financing mechanism and details

NOTE: Bidder shall meet all the technical qualification requirements specified in the Tender Document. Financial bids of only technically qualified bidders shall further be evaluated for financial evaluation.

After the technical evaluation of bid if any additions/ deletion that may arise during evaluation & clarifications process of technical bid will be finalized accordingly and bidders will be allowed to submit final technical bids and revised financial bids (if they require). In stage 2 the financial evaluation will be carried out of technically qualified bidders.

5.3.4 Evaluation of Financial Bid Proposals

- **Processed Gas:**

In case of sale of processed gas the bid quoting the highest premium or lowest discount on the applicable Petroleum Exploration and Production Policy 2012 gas price on per MMBTU basis will be declared successful.

- **Raw Gas:**

In case of sale of raw gas the bid quoting the lowest discount on the applicable Petroleum Exploration and Production Policy 2012 gas price on per MMBTU basis will be declared successful.

- **Raw OR Processed Gas Option Selection:**

The successful bidder (s) under Raw gas bid or/and Processed gas bid (or combination of both) options(s) will be compared, and, one yielding the highest rate of return to OGDCL will be declared successful.

6.0 ACCEPTANCE/REJECTION OF BID PROPOSAL

6.1 OGDCL Right To Accept any Bid Proposal and to Reject any or All Bid Proposals

6.1.1 OGDCL does not bind itself to accept the bid proposal offering highest Price/ compensation or any bid proposal and reserves the right to accept or reject any bid proposals, and to annul the bidding process and reject all bid proposals, at any time without thereby incurring any liability to the affected Bidder or any obligation to inform the affected Bidder of the reasons for the OGDCL's action.

6.1.2 OGDCL reserves the right to accept or reject the Bidder's offered gas (Raw/ Processed) Price.

6.2 Letter of Intent for Sale of Gas

6.2.1 Prior to the expiration of the period of bid validity, OGDCL will notify the successful Bidder in writing by fax or courier service its intent to sale the gas.

6.2.2 Upon the successful bidder's furnishing of Guarantee Bond pursuant to Instruction 6.3, OGDCL will promptly notify each unsuccessful bidder and will discharge their Bid Bonds.

6.3 Performance Bond

6.3.1 Within fifteen (15) days of the receipt of notification of intent for sale of Gas from OGDCL, The successful bidder will have to submit a Performance Bond in the shape of Bank Guarantee or a Pay Order /Demand Draft equal to US \$ 2.5 Million in case of Sales of Raw Gas and US \$ 250,000/ MMscfd in case of Sales of Processed Gas to OGDCL as per the format given in (Annexure – IV). The Performance Bond will be returned as follows:

- i. In case of Raw Gas Sale, Performance bond will be returned after completion of one (01) year of start of first gas
- ii. In case of sales of processed gas the performance bond submitted by the successful bidder/ buyer shall be returned as per following timeline:
 - 50 % after 1 year from start of 1st gas.
 - 25 % after 2 years from start of 1st gas.
 - 25 % after 3 years from start of 1st gas.

- 6.3.2 Failure of the successful Bidder to comply with the requirements of Instruction 6.3 or 6.5 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Bond, in which event OGDCL may make the award to the next ranking Bidder or call for new Bids.

6.4 Notifications for GSPA Negotiations

- 6.4.1 Prior to expiry of the Bid proposal validity or its extended period OGDCL shall notify the successful Bidder in writing of OGDCL's desire to conduct GSPA negotiations.
- 6.4.2 The Bidder shall send their authorized representative(s), within reasonable time not exceeding ten (10) working days from the date of such notice, to OGDCL, Head Office at Islamabad for GSPA negotiations.

6.5 Execution of GSPA and Implementation Agreement

- 6.5.1 At the same time as OGDCL notifies the successful Bidder of its intent to award the Project, OGDCL will send the Bidder the GSPA including Implementation Agreement, incorporating all agreements between the parties.
- 6.5.2 Within ten (10) days of receipt of the GSPA the successful bidder will be required to sign the GSPA and return it to OGDCL.

6.6 Miscellaneous

- a) All contacts, clarifications and correspondences for the bidding process shall be directly between OGDCL and Bidder's authorised representative. Bidder shall not nominate any person or organisation as its agent in connection with this bid proposal.
- b) OGDCL has not authorised any person or organisation to contact the Bidder in connection with this Bidding Document. Any person or organisation claiming to be representing OGDCL or having contacts with OGDCL in connection with this bidding shall be immediately brought to the knowledge of OGDCL.

- c) The Bidder shall not pay any commission or fee to any person or organization claiming to be instrumental in securing the contract.
- d) A violation of any of the above whether discovered during bidding process or after the award of LOI shall be a sufficient ground for the disqualification of the Bidder or termination of the GSPA.