

**CLARIFICATION NO.1**

**TENDER ENQUIRY NO.PROC-SERVICES/CB/DO-4858/2020 HIRING OF DRILLING RIG SERVICES**

Some of the Prospective bidders have raised some queries against the subject case. The queries along with OGDCL reply are listed below for information of all the prospective bidders.

NO	Clause	Tender Requirements	Bidder's Clarifications	Company Response
1	<b>Master Set of Tender Documents (services) INSTRUCTIONS TO BIDDER 6. BID PRICE</b>	6.2 The prices may be quoted in US Dollar preferably or bidders own currency. Whereas, Chinese Firms/Bidders/ Service Providers should quote prices in Renminbi. To facilitate financial evaluation and comparison, all bid prices will be converted to US Dollars at the selling exchange rate officially prescribed by State Bank of Pakistan for similar transaction on the prescribed date of technical opening of bids.	Due to the currency exchange rate change during the contract execution period, we may request bid price in USD currency for all bidders.  In case Chinese firm quote in Renminbi, please confirm OGDCL can pay Renminbi currency to China account.  Please also confirm how to define if a company is a Chinese firm or not.	Bidder to proceed as per clause 6 (BID PRICE) and clause 7 (PAYMENT) of tender documents.
2	<b>Master Set of Tender Documents (services) INSTRUCTIONS TO BIDDER 7. PAYMENT</b>	7.2 To Foreign based Companies, the payment will be made in US\$ or in quoted currency, at actual against verified invoices through Irrevocable Letter of Credit (LC) after completion of the project or otherwise mentioned in TOR.	Please confirm the definition of Foreign based companies: do both foreign invested locally registered subsidiary company and foreign company's branch office in Pakistan belong to Foreign based companies? Please confirm payment by USD in LC to Foreign based companies also applicable on drilling rig service.	Bidder to proceed as per clause 6 (BID PRICE) and clause 7 (PAYMENT) of tender documents.
3		<b>12.1</b> If the contractor fails to deliver any or all of the goods/services within the time periods(s) specified in the Contract, the purchaser shall, without prejudice to other remedies under the		Liquidated damages (LD) will be applicable as per clause 12 of draft contract of Tender documents.

4	<p><b>Master Set of Tender Documents (services) ANNEXURE -“J” DRAFT CONTRACT SECTION 12. LIQUIDATED DAMAGES</b></p>	<p>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 10% of the contract value.</p> <p><b>12.2</b> In case the purchaser is satisfied that the delayed/defective services/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 of 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 10% 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 delayed. The Purchaser may however, impose Liquidated Damages as per clause 12.1 above if the delayed or defective shipment/ services has affected the project completion schedule or has resulted in Production losses.</p>	<p>The contractor will try the best to provide the quoted rig within the time specified in the Contract, however, due to different reasons, delay may happen sometimes beyond contractor’s control. So in case of delay, the Liquidated Damages clause shall apply only on the delayed portion price, not on total the contract price. For example, if bidder quote 3 rigs, 2 rigs spud on time, and the 3<sup>rd</sup> rig is delayed, the LD clause shall only apply on the 3<sup>rd</sup> rig quoted price. Please consider.</p>	
5	<p><b>ANNEXURE-A-1</b></p>	<p><b>D2.1 Shale Shaker</b> The offered Shakers should not be more than five (5) years old at the start of the contract.</p>	<p>As per the industry practice, 5 years old shale shaker can satisfy the drilling operation requirement, please consider: OGDCL can accept more than 5 years shale shaker if the contractor get the OEM COC</p>	<p>Shale Shakers shall be provided as per TOR.</p>

			(Certificate of Compliance)	
6	<b>ANNEXURE- A2 CONSUMABLES / SPARES</b>	<p>--Lubricants/grease/hydraulic fluids /cleaning solvent for Drilling Rig, Drill pipes, Drill Collars except casing and tubing compound.</p> <p>--Casing and tubing compound Provided by CONTRACTOR, paid by CONTRACTOR covered in contract</p>	Casing and tubing are supplied by Company, so the casing and tubing compound shall be Provided by COMPANY, paid by COMPANY.	Since the casing running services are included in Drilling Rig Services, the casing and tubing compound to be provided by the Contractor and paid by the Contractor.
7	<b>ANNEXURE- A2 SERVICES</b>	<p><b>Accommodation and catering on the Drilling Rig for CONTRACTOR's Personnel and twenty (20) COMPANY's Personnel with three meals</b></p> <p>Provided by CONTRACTOR, paid by CONTRACTOR covered in contract</p>	For the 20 Company's Personnel, please define senior mess number and junior mess number	Combined 20 personnel. Maximum number of Senior mess personnel will be counted.
8	<b>ANNEXURE- A2 SERVICES</b>	<p><b>Specialized casing running in services.</b></p> <p>Provided by COMPANY, paid by CONTRACTOR</p>	The specialized casing running in service shall be Provided by COMPANY, paid by COMPANY.	Specialized casing running services means casing running using Top Drive system only and the associated equipment. Besides TOP drive all casing running services will be provided by Contractor and paid by Contractor. The specialized casing running services (Top Drive system) will be provided by company and paid by company. So its category is 4 and not 5.
9	<b>ANNEXURE- A2 SERVICES</b>	<p><b>Security services in CONTRACTOR's operational area during the Contract Period.</b></p> <p>Provided by CONTRACTOR, paid by CONTRACTOR covered in contract</p>	Since security is very much sensitive and complex issue, it is beyond Contractor's capability to arrange. Thus security service shall be <b>Provided by COMPANY, paid by COMPANY. Please consider.</b>	Security Services during contract period on Rig site will be provided by the Company and Paid by the Company. Security Services during stack period will provided by the Contractor and paid by the Contractor.
10	<b>ANNEXURE- A2 SERVICES</b>	<p>First inspection of CONTRACTOR's drill string before start of contract. 1 (Provided by CONTRACTOR, paid by CONTRACTOR covered in contract)</p> <p>Subsequent inspections of CONTRACTOR's drill string 4 (Provided by COMPANY, paid by</p>	For the Subsequent inspections of CONTRACTOR's drill string 4 (Provided by COMPANY, paid by COMPANY), we recommend drill pipes inspection shall be done after 7500 M or 1800 Hours rotation	First inspection of contractor drill string will be done by contractor. Subsequent inspection by company as per international standard practice.

		COMPANY)	hour. Please confirm.	
11	<b>ANNEXURE- A2 TRANSPORTATION/ HANDLING</b>	<b>Double cabin for Company man with driver (Model not older than 5 years).</b> Provided by CONTRACTOR, paid by CONTRACTOR covered in contract	As per the previous practice, the required 2 Pickups can satisfy the rig site smooth operation and Company Man necessary movement. So the Double cabin shall be Provided by COMPANY, paid by COMPANY.	As per TOR.
12	<b>ANNEXURE- A2 TRANSPORTATION/ HANDLING</b>	<b>One truck with min 20 feet length and 05 on capacity for Company equipment</b> Provided by CONTRACTOR, paid by CONTRACTOR covered in contract	As per the previous practice, the required 2 Pickups can transport Company small equipment if needed. For the large size material, Company shall arrange Truck at Company cost when needed. So the Truck shall be Provided by COMPANY, paid by COMPANY.	AS per TOR.
13	<b>ANNEXURE- A2 TRANSPORTATION/ HANDLING</b>	<b>Any transportation of COMPANY's Personnel</b> Provided by CONTRACTOR, paid by CONTRACTOR covered in contract	In consideration of the potential safety and security risk during the transportation and as per the industry practice, Company's Personnel shall be Company's responsibility to transport and shall be Provided by COMPANY, paid by COMPANY	As per TOR.
14	<b>Operation KPI</b>	<b>Well Head Installation (hrs) 18 5/8" X 20 3/4" 3M or 21 1/4" 2k 10 Hours</b>	As per actual operation experience in Pakistan, it shall be 12 hours (rough cut casing 2 hours, final cut casing and dress casing 3 hours, welding CHH 4 hours, natural cooling 2 hours, press test 1 hour)	As per TOR.
15	<b>Operation KPI</b>	<b>Well Head Installation (hrs) 24" X 26 3/4" 3M 12 Hour</b>	As per actual operation experience in Pakistan, it shall be 13 hours (rough cut casing 2 hours, final cut casing and dress casing 4 hours, welding CHH 4 hours, natural cooling	As per TOR.

			2 hours, press test 1 hour)	
16	Operation KPI	Well Head Installation (hrs) Cut & Dress casing CSG + Install: (All operations from the time after plug is bumped to start BOP N/U)	Time mentioned in this category shall exclude POOH with stinger string, waiting on cement, squeeze cement, Cellar blow-by water or gas, cement cap, re-welding due to the incompatible material of casing and casing head, other operator matters.	AS per TOR.
17	Others	Rig release time definition	As per the drilling service industry practice, the rig release time shall start only after lay down drill pipe, BHA, nipple down BOP, and the installation and pressure test of X-Mass tree.	Rig release will be applicable when Rig is released by OGDCL management.
18	Others	Security or guard service during the stacked time waiting for Company next well location within the contract period	The COMPANY shall be responsible for security or guard service within the contract period	Contractor shall be responsible for security or guard service when Rig is released and during stacked time waiting for company next well location.
19		As referred in item "Cementing associated piping/manifold available on rig Condition "1" in the EQUIPMENT of ANNEXURE- A2 on Page 37.	CCDC Clarification: Please specify which associated equipment includes in the said piping/manifold?	For any pumping of mud and displacement of cement during cementing job, the piping up to the Y on Rig floor will be provided by the Contractor. The piping/manifold from cementing unit to Y and to the cementing manifold will be provided by the Cementing Company.
20		As referred in item "Circulating casing heads Condition "1" in the EQUIPMENT of ANNEXURE- A2.	CCDC Clarification: Since, the casing shall be provided by company, so we suggest the circulating casing head should also be provided by the company as per common drilling practice.	Circulating casing heads will be provided by the company.
21		As referred in item "Lubricants/grease/hydraulic fluids/cleaning solvent for Drilling Rig, Drill pipes, Drill Collars except casing and tubing compound with Condition "1" and item" Casing and Tubing Compound with Condition "1" in the CONSUMABLES / SPARES of ANNEXURE- A2.	CCDC Clarification: The said two conditions are in contradiction with reference to the responsibility and payment. Please clarify and we suggest that the compound should be provided by the company as per common drilling practice.	Since the casing running services are included in Drilling Rig Services, the casing and tubing compound to be provided by the Contractor and paid by the Contractor.

22		<p>According to the item <b>“Note: v) Cost of conventional casing running services will be included in the rig day rate “in 3.2 Financial Evaluation of ANNEXURE-A, it is clear that contractor should be only responsible for cost of conventional casing running services. On the other hand, it has been referred as “Specialized casing running in services with Condition “5” in the SERVICES of ANNEXURE- A2, that the cost of Specialized casing running service will be provided by the Company and paid by Contractor.</b></p>	<p><b>CCDC Clarifications:</b> Please clarify who will be responsible for such cost and specify the scope of the specialized casing running services.</p>	<p>Specialized casing running services means casing running using Top Drive system and associated equipment. Besides TOP drive all casing running services will be provided by Contractor and paid by contractor. The specialized casing running services (Top Drive system) will be provided by company and paid by company. So its category is 4 not 5.</p>
23		<p>As referred in <b>e) Repair Rate of Annexure –A5-1 “For periods when normal operations cannot be carried out due to damage, loss, failure, maintenance, repairs of CONTRACTOR’s equipment from or for any cause, operating rate will apply up to a maximum of 10 hours per month. Thereafter Contractor will be paid the repair rates of US\$ ( )/ 24 hours day for period not exceeding 5 hours within the same month. No rate will apply thereafter.</b></p>	<p><b>CCDC Clarifications:</b> It is clear that first 10 hours of repair time will be charge as operating rate, thereafter up-to 5 hours will be paid as repair rate. Finally no rate will be applied thereafter. But as referred in Clause 3.3 of Annexure A-6 to the item” <b>If operations cannot be carried out, due to matters within CONTRACTOR’s responsibility, after a cumulative period of ten (10) hours for one or several occurrences during a calendar month, CONTRACTOR will not be entitled to any compensation during any further suspension of normal operations occurring during the remainder of that calendar month. The paid repair time is only 10 hours.</b></p> <p>Please clarify the period for applying the repair rate in the true spirit of Definition Clause as referred in Annexure-A5-1 and Clause 3.3 of Annexure A-6 to avoid any conflict.</p>	<p>For repair rate the complete <b>Clause e)</b> under <b>Annexure A5-1</b> as mentioned in TOR will be applicable i.e “For periods when normal operations cannot be carried out due to damage, loss, failure, maintenance, repairs of CONTRACTOR’s equipment from or for any cause, operating rate will apply up to a maximum of 10 hours per month. Thereafter Contractor will be paid the repair rates of US\$ ( )/ 24 hours day for period not exceeding 5 hours within the same month.” The remaining <b>clause e)</b> under <b>Annexure A5-1</b> will also be applicable.</p>

All the other terms and conditions are same