

ATTACHMENT – 1

TERMS & CONDITONS OF INLAND L/C

**TERMS AND CONDITIONS OF THE INLAND L/C FOR
SUPPLY**

1.0 PAYMENT DOCUMENTS

Payment documents shall consist of the following:

- 1.1 Original Commercial Invoice showing material description quantity unit and total price duly verified by OGDCL showing:
- 1.2 Complete, first and last shipment payment (if all material is shipped in one lot)
- 1.3 First partial shipment/second partial shipment (and so on) Final and last shipment as the case may be if shipments are effected in parts
- 1.4 All invoices should be signed and must indicate value of each item total value provided in the contract
- 1.5 Original GST Invoice
- 1.6 Clean Truck /Carrier receipt showing freight pre-paid
- 1.7 Packing List showing Weight in Kilograms (Gross/Net).
- 1.8 Technical Catalogue / literature copy (where applicable)
- 1.9 Certificate the goods are brand new and conform to the contract specification
- 1.10 Copy of NTN certificate
- 1.11 Sales Tax Payment proof (annex-C) issued by FBR
- 1.12 Copy of valid tax exemption certificate in case of exemption granted by FBR (if applicable)
- 1.13 Copy of valid Professional Tax Paid /Clearance Certificate
- 1.14 Mill inspections /Quality certificates (where applicable)
- 1.15 Warranty Certificate
- 1.16 Certificate of origin
- 1.17 Duly signed and stamped delivery note
- 1.18 Certificate issued by beneficiary that packing of the material conform to the International Standards and all packages/boxes bear the Purchase Order No. and Weight in Kilograms (Gross/Net).
- 1.19 Third party Inspection report from any of following firms (where applicable)

Bureau Veritas Pakistan (Pvt) Ltd
SGS Pakistan (Private) Limited
TÜV Rheinland Arabia LLC Pakistan
Applus Velosi Pakistan
TUV Austria Bureau of Inspection & Certification (Pvt.) Ltd. Pakistan

2.0 DEDUCTION OF WITHHOLDING/SALES TAX

All payments shall be subject to deduction of withholding/sales tax as applicable on prevailing rates. If the PC Contractor is entitled for any exemption from the withholding tax or a reduced rate of withholding tax, he shall obtain a valid certificate from the relevant tax authority in Pakistan and submit it to OGDCL

3.0 DELIVERY INTIMATION

The beneficiary immediately of making shipment must sent fax OR E-mail to
(1)Stores Officer, Oil & Gas Development Company Limited, UCH Gas Field, District
_____ Baluchistan Province Pakistan

Telephone No. _____

Fax No. _____

E-mail: _____

(2) Manager (Foreign) Procurement, OGDCL House, Jinnah Avenue, Islamabad.

Phone No: 92-51-920023780

Email: ejaz_rizvi@ogdcl.com

(3) Manager (Projects) UCH

Tel: (92-51) 2623216

EMAIL: kausar_ali@ogdcl.com, intimating them the following;

- a) L/C number and Contract No.
- b) Total FOR value of the consignment shipped.
- c) No. of boxes/package/pieces etc.
- d) Net and gross weights.
- e) Expected time of arrival (ETA) of material.

4.0 MECHANISM FOR CLAIM OF PAYMENT

- a) The beneficiary should negotiate the original clean payment documents after making delivery and verification of commercial invoice which should be free from any discrepancy with negotiating bank as indicated in the L/C.
- b) If clean documents free from 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 it shall be without any financial impact if any incurred due to late negotiation of clean documents will be on beneficiary's account.
- c) Original documents must contain at least four sets.
- d) The discrepant documents with minor discrepancies may be accepted subject to the consent of OGDCL.

5.0 LIQUIDATED DAMAGES

- a) If the Contractor fails to complete the UCH Compression Project within the time period of Eighteen (18) months, then Company 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 10 % of the contract value.
- b) In case the Company is satisfied that the delayed / defective shipment/ works 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 Company may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment/ services 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/ services provided that the contractor takes immediate remedial measures for the-replacement of defective shipment and takes prompt steps to mitigate the delay. The Company may however, impose Liquidated Damages as per (a) above if the delayed or defective shipment/ services has affected the project completion schedule or has resulted in production losses.

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

6.0 AMENDMENT/EXTENSION OF L/C

The beneficiary will positively confirm shipment of all ordered materials within L/C validity or made 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.

7.0 CHARGES FOR L/C ESTABLISHMENT

7.1 All Charges of the bank for credit opening will be borne by the OGDCL.

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

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

8.0 PAYMENT TERMS (As per tender document)