

CLARIFICATION NO. 01

TENDER ENQUIRY # PROC-SERVICES/CB/PROD-4715/2020 HIRING OF FRACTURING SERVICES FOR SHALE FORMATION

In response to the queries of some prospective bidder(s), following clarification has been made in the subject tender:

FOR:

Clause # 6.1 of TOR (Duration of the Contract: Page 7-21): Annexure – “A”

6.1 The contract will be on rate running (as and when required) basis. The duration of the contract will be initially for three (03) years from the date of mobilization to the first well, or till completion of job on all five (05) wells whichever comes later. Further extension in the contract will be made based on mutual consent of both parties in writing.

TO BE READ AS:

Clause # 6.1 of TOR (Duration of the Contract: Page 7-21): Annexure – “A”

6.1 The contract will be on rate running (as and when required) basis. The duration of the contract is three (03) years for five (05) wells, therefore the Bid proposal/rates should remain valid unconditionally during the period of contract. The Rate Running Contract (as and when required basis) will remain intact till the completion of jobs on wells where Service Company is mobilized for the job during the contract period; however, any extension in term of Contract will be subject to mutual consent of both the parties in writing.

Sr. No.	Tender Clause Reference	Bidder's Clarification	OGDCL Reply
1.	TOR 5.19 Treatment / management of hazardous gases and wastewater/material if any will be the responsibility of contractor without any additional cost to OGDCL.	Please confirm that Bidder's obligation under this Article shall be limited to good housekeeping and shall not include the handling or disposal of hazardous or drilling wastes or well flowback, which is currently being handled by OGDCL.	Bidder's obligation under Article is not limited to good housekeeping and will include the handling or disposal of post frac hazardous gases and waste water/material if any as per environmental standards.
2.	TOR 5.23 OGDCL will pay for additional HHP equipment standby charges, crew operating and standby charges, volume pumping charges, mob/de-mob charges both for equipment and crew on pro-rata basis i.e. additional HHP utilization(US\$) = Unit rate for 20,000 HHP(US\$)/20,000 HHP *Extra hydraulic horsepower.	Please clarify if the additional HHP utilization applies to additional HHP available on location.	Yes. Additional HHP utilization applies to additional HHP available on location (wherever applicable). However, mobilization of such equipment will be made with prior consent and permission of OGDCL and as per approved design.
3.	TOR 5.33 OGDCL shall not be liable to pay mobilization/demobilization charges of anytools/equipment for bringing them to Pakistan that may be located elsewhere.	Bidder requests OGDCL to bear importation cost of equipment to be in country required for this project as per actual cost, since significant/large amount of resources need to be mobilized for each job in form of both	OGDCL shall not be liable to pay mobilization/demobilization charges of any tools/equipment for bringing them to Pakistan that may be

		equipment and chemicals, and job frequency can have a longer time gap.	located elsewhere and needs no further clarification.
4.	TOR 5.44 It will be the responsibility of the bidder to ensure arrangements (pumps, hoses, crew etc) for water transfer from bowsers to frac/acid tanks.	Please clarify if OGDCL will provide water along with transportation to the well site free of charge? In case if bidder to bear the cost OGDCL to provide a fixed rate for water for the contract duration.	OGDCL will provide water free of cost to well location however, immediate shifting of water to storage tanks is the responsibility of the bidder.
5.	TOR 5.60 Fuel, oil, chemicals, items (proppant etc.), lubricants and transport that may be required by service company for operational purpose will be charged to service company as per actual and the cost will be deducted from the invoice.	Bidder requests OGDCL to provide fuel free of charge, as fuel price experience significant fluctuations. Alternatively, Bidder requests OGDCL to provide a fixed rate for fuel for the contract duration.	The statement requires no further clarification. TOR clause prevails.
6.	TOR 6.1 The contract will be on rate running (as and when required) basis. The duration of the contract will be initially for three (03) years from the date of mobilization to the first well, or till completion of job on all five (05) wells whichever comes later. Further extension in the contract will be made based on mutual consent of both parties in writing.	Bidder requests OGDCL to apply a cap on the number of years for this contract, as a contract should not be valid indefinitely should the 5 wells not be completed.	The clause may be read as under "The duration of the contract is three (03) years for five (05) wells, therefore the Bid proposal/rates should remain valid unconditionally during the period of contract. The Rate Running Contract (as and when required basis) will remain intact till the completion of jobs on wells where Service Company is mobilized for the job during the contract period; however, any extension in term of Contract will be subject to mutual consent of both the parties in writing.
7.	TOR 7.2 The prices quoted by bidder in financial bid should be in US\$. The quoted price should be fixed/firm and are inclusive of all applicable taxes, duties and Levies etc. except Provincial Sales Tax/ICT Tax on Services. Draft Contract, Annexure – "J" 5.1 The contract price includes all taxes (except Provincial Sales Tax/ Islamabad Capital Tax on services in Pakistan), duties, fees, levies and any other relevant charges payable/ applicable on the last date of submission of main/supplementary financial bid inside and outside Pakistan, except	Please confirm that GST will be borne by OGDCL. As per the Draft Contract, Article 5.2 clearly stipulates that indirect taxes shall be borne by OGDCL and Article 5.1 and 5.3 state that only direct taxes will be borne by the Contractor. With respect to the above demarcated obligations in the Services Agreement, as per established principles, GST is considered as an indirect tax that shall be borne by the end consumer and therefore, will not be inclusive in Bidder's pricing unless specified.	It is clearly mentioned that The quoted price should be fixed/firm and are inclusive of all applicable taxes, duties and Levies etc. except Provincial Sales Tax/ICT Tax on Services.

	<p>if OGDCL imports material in its own name it will bear duties/ import taxes/port charges. The Contractor will be responsible for all the direct taxes(present or future) with respect to income/ payments of total contract amount, under the scope of the contract.</p> <p>5.2 Indirect taxes (Provincial Sales Tax/ Islamabad Capital Territory Sales Tax on services) in Pakistan will be paid by OGDCL at actual where applicable. The contract price will be adjusted for any subsequent changes in the rates of indirect taxes as made applicable thereafter by the relevant authorities in Pakistan.</p> <p>5.3 Any direct taxes, duties, fees, levies and other relevant charges, present or future, assessed or payable inside or outside Pakistan by the Contractor and its sub-contractor and /or by the expatriate personnel deputed by the Contractor and its sub-contractor in connection with its performance under the Contract shall be the sole and exclusive responsibility of the Contractor.</p>		
8.	<p>TOR 11. TECHNICAL EVALUATION</p> <p>23. Frac Tree/Isolation Tool (Company Owned/Third Party and available elsewhere globally)</p> <p>At least 1 no. quantity each for all sizes having 10K & 15K rating each, (compatible X-mass tree size: 2-9/16"x5K, 3-1/8"x5K, 3-1/16"x10K, 4-1/16"x10K, 3-1/16"x15K, 4-1/16"x15K)</p>	Please provide X-mass tree and well schematic for the planned well.	X-mass tree and well schematic for the planned well will be shared well in time before mobilization. Compliance of the clause is kept in order to cater all the situations that may be encountered during the job and as per design.