

TERMS OF REFERENCE (TOR)

FOR

**HIRING OF PREMIUM THREAD
RENTAL DRILL COLLAR SERVICES.**



**TENDER ENQUIRY # PROC-
SERVICES/CB/PROD-4816-A/2020**

HIRING OF DRILL COLLARS RENTAL SERVICES

SCOPE OF WORK AND TERMS OF REFERENCE (TOR)

1. INTRODUCTION AND SCOPE OF WORK

Oil and Gas Development Company Limited (OGDCL) intends to execute a contract regarding provision of Drill collar rental services for the jobs including but not limited to DST, TCP, Acid stimulation, Hydraulic/acid fracturing etc. at estimated Twenty (20) wells located anywhere in Pakistan. The rate running (as and when required) contract will be for a period of two (02) years. The number of wells may increase/decrease as per operational activities.

2. TECHNICAL DATA:

Expected ranges of wells parameters are as under:

- 2.1 Differential pressure up to 15,000 psi.
- 2.2 Exposure Temperatures up to 392 °F.
- 2.3 Reservoir Depths up to 6,000 M.
- 2.4 Presence of H₂S: ± 10 %, CO₂: ± 40 %

3. TERMS AND CONDITIONS

- 3.1. The scope of work is tentative, OGDCL reserve the right to increase or decrease the scope of work without change in prices and terms & conditions.
- 3.2. Bidder must agree and give clean acceptance to all the Operational and Financial Terms & Conditions and Technical Specifications & Personnel requirements set forth in this tender document.
- 3.3. All certificates, documents, proof of work etc. should be in English language; if not then they shall be accompanied with certified translation to English language to be considered for evaluation.
- 3.4. Equipment, tools and personnel covering full scope of services must be available with the bidder in Pakistan or abroad at the time of submission of bid. In case of availability outside Pakistan, bidder shall make equipment, tools and personnel covering full scope of services available in Pakistan within 45 days after signing of contract with OGDCL. Failing to do so, the contract will be terminated and corresponding Performance Bank Guarantee will be confiscated.
- 3.5. The bidder to provide third party certification for equipment reliability, model, make etc. All equipment must be H₂S compliant.
- 3.6. Adequate back-up services / equipment should be available on site free of cost to avoid delay in operations.
- 3.7. Bidder to hold 1,500 M of specific drill collars in Pakistan throughout period of contract with OGDCL.
- 3.8. Bidder to manage X-over(s) in line with job requirements.
- 3.9. OGDCL reserves the right to ask bidder for the replacement of any of their personnel who is / are unacceptable to OGDCL for his / their incompetence or misbehavior at contract holder's expense.
- 3.10. All responsibility shall rest with the contractor for any third-party equipment and personnel supplied by the contractor.
- 3.11. OGDCL shall not be accountable for any personnel injury during Mob/De-mob, loading, offloading and during the course of operations at well site. Health insurance of deployed crew will be the responsibility of the bidder.

- 3.12. Bidder to arrange all safety equipment/services at their own for their personnel's whichever is required by them for working in extreme H2S environment with no additional cost to OGDCL.
- 3.13. Bidder must quote fixed/firm cost of every item of financial bid format otherwise incomplete bid shall not be entertained. Bidder must strictly follow and quote prices as per financial bid format. No clause with "if& but" having financial impacts will be entertained and in such case bid will be treated as non-responsive.
- 3.14. The crew will constitute of one personal only, responsible for safe unloading and witnessing of job, taking care of drill collars and ensure safe handling, soliciting signatures on job ticket in accordance with actual job. However, crew charges are to be covered in drill collar rental. Charges against crew must not be quoted separately and will not be admissible.
- 3.15. Mob/De-Mob Charges (Per Km) will be calculated according to the distance as per OGDCL distance chart.
- 3.16. Mobilization/De-mobilization charges will be payable only if transport is not provided by OGDCL.
- 3.17. Mobilization/De-mobilization for equipment and crew will be made as per actual location/field/base from where/to; the mobilization/De-mobilization was made.
- 3.18. During traveling (mobilization/de-mobilization) phase/day, no operating/stand-by/rental charges will be admissible.
- 3.19. Partial availability of crew or equipment at location will not attract any charges.
- 3.20. Operating charges of crew/equipment is admissible on reporting day only if the job starts on the same day.
- 3.21. Operating charges applicable for drill collars which are rigged up, rest will be paid as standby.
- 3.22. Standby charges of equipment and crew on Mobilization/demobilization days are not applicable.
- 3.23. Drill collars RIH/POOH services will be provided by either OGDCL in-house or through third party available contractor with OGDCL.
- 3.24. Equipment/crew, Mob/De-Mob charges from base to Field/well will be paid once in case of multiple Jobs on different wells within same field. OGDCL will not pay well to well mobilization charges for equipment and crew within same field.
- 3.25. Bidder to quote all type of standby charges equal to or less than 50% of operating charges.
- 3.26. If during job, it is ascertained that the service company is unable to perform / accomplish the job satisfactorily, OGDCL reserves the right to demobilize the service company. Invoice for unsuccessful job/jobs will not be paid.
- 3.27. If, after mobilization/reporting at site, job is cancelled then only mobilization/de-mobilization charges for crew/equipment will be paid. No job cancellation/standby charges are admissible.
- 3.28. The maximum mobilization time of equipment/crew regardless of engagement with any other customer is 7 Days.
- 3.29. Fuel oil and lubricants/transport that may be required by service company for operational purpose at OGDCL fields, will be charged to service company as per actual and the cost will be deducted from the invoice.
- 3.30. Boarding/Lodging and laundry services would be provided free of cost by OGDCL to the crew while working in the field.
- 3.31. OGDCL reserves the right to accept or reject any/all bid (s) or annul the entire bidding process at any time prior to award of contract without taking any responsibility of the affected bidder(s) and is not bound to justify the reasons to the affected bidder(s).

4. DURATION OF CONTRACT:

- 4.1 The duration of the contract is for the period of two (02) years starting from the date of issuance of LOI. 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.
- 4.2 The bid proposal/rates should remain valid unconditionally during the period of contract.

5. PAYMENT TERMS:

- 5.1 The payments to the service company will be made through cross cheque in 100% Pak Rupees, at actual, against verified invoices at official exchange rate prevalent on the date of payment.
- 5.2 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.

6. BID BOND:

Bid Bond/Bid Security amounting to **USD 11,000/-** (US Dollars eleven thousand only) is to be attached/provided **with Technical bid**. Please see Master Set of Tender Document for further details.

7. MODE OF PROCUREMENT:

Bids against this tender are invited on “**Single Stage Two Envelope Bidding Procedure**” through press tendering therefore, the bidders shall submit one original technical and financial bid. Soft copy of technical bid is also to be submitted. Unpriced commercial proposal should be the part of technical bid.

Note: The Master Set of Tender Documents for Services uploaded on OGDCL’s website (www.ogdcl.com) is the integral part of this TOR.

8. TECHNICAL EVALUATION

All the bidders are required to provide a compliance certificate to the following. The bidder must fulfill the below mentioned minimum requirements for technical qualification. Even single no in below mentioned technical evaluation tables may lead to disqualification.

EQUIPMENT/ TOOLS (ALL EQUIPMENT MUST BE H₂S COMPLAINT)

Sr.	Description	Availability
1	Availability of 4-3/4", 47 PPF, with 3-1/2", PH-6 or interchangeable thread connections (R-2) drill collars c/w threads protectors along with Dope either inside or outside Pakistan. Quoted drill collars must be H ₂ S resistant and have minimum 15,000 Psi Burst & Collapse Pressure (pipe body & connection). Quantity required = 1,500 Meters. Bidder is required to submit the technical Data sheet of the quoted 4-3/4", 47 PPF drill collars. In case of availability outside Pakistan, the bidders to shift the same within 45 days after signing of contract with OGDCL.	Yes/No
2	The bidder’s own capability to thread API certified/ PH-6/Hydril CS or 100% Interchangeable threads and API threads or have a working	Yes/No

	Relationship with an Authorized setup in Pakistan. The bidder to submit documentary evidence.	
3	The Bidder to Provide Mill Test Certificates, Recent Inspection Reports, Import Documents and Purchase Order copies to confirm the Rating, condition and Feasibility of the Rental drill collars for the required services.	Yes/No
4	Bidders to submit supporting documents including but not limited to available quantities of drill collars, backup arrangement, technical specifications, valid fitness / inspection reports, API certificates, recommended handling, running and operating procedures etc.	Yes/No

COMPANY PROFILE

Sr.	Description	Availability
1	Registered company inside or outside Pakistan with minimum registration period of 03 years. Provide documents for registration.	Yes/No
2	Fully Operational Base in Pakistan (<i>liable to inspection by OGDCL</i>) Contractor to have fully operation base in Pakistan. In case the contractor has no permanent establish base in Pakistan then they have to establish the same within 45 days of signing of contract.	Yes/No
3	Bidder have minimum of 03 year experience of providing rental tubing/drill collar services to E & P companies anywhere around the globe.	Yes/No

9. QHSE

Sr.	Description	Availability
1	Written and approved HSE and Quality Policy	Yes/No
2	Equipment & Tools	
2.1	Maintenance records of all equipment / tools available	Yes/No
2.2	Third party validity certificates of equipment / tools available	Yes/No
3	Incident Reporting	
3.1	Incident Reporting Procedure available	Yes/No
3.2	Contractor shall report all incidents and dangerous occurrences to Company's Site Representative, concerned Government Authorities, CIM, District Management etc. as per legal and regulatory requirement.	Yes/No
4	Project QHSE Performance Report	
4.1	Contractor to submit Project QHSE performance report / statistics to OGDCL Site Representative at the end of project.	Yes/No
5	HSE Legal / Regulatory Compliance.	
5.1	Contractor shall comply with Health & Safety Regulations Mines Act 1923, The Oil & Gas (Safety In Drilling & Production Regulations 1974)	Yes/No
5.2	Contractor shall comply with Environmental Protection ACT 1997 and National Environmental Quality Standards	Yes/No
6	QHSE Trainings	
6.1	All staff is trained is in basic QHSE trainings i.e. Fire Fighting, First aid, H2S. Please provide details / records of the crew.	Yes/No
6.2	Staff receives specialized QHSE trainings with respect to their jobs	Yes/No

7	Personal Protective Equipment	
7.1	All required personal protective equipment available to all its staff and subcontractors.	Yes/No
8	Permit to work	
8.1	PTW system available and strictly followed	Yes/No
9	Vehicle Management	
9.1	Travelling Policy / Procedure available	Yes/No
9.2	Cranes, Fork lifters must be third party certified. Certificates to be provided before the execution of job.	Yes/No

FINANCIAL BID FORMAT

Estimated total No. of wells during Two years: 20 (one job/ well)

FINANCIAL EVALUATION CRITERIA

Sr.	Description	Days (P)	Depth (Q) Meter	Unit Rate (R)	Total =(P X Q X R)
				US\$/Day/Meter	(US\$)
1	Drill Collar 4 -3/4" (47 ppf) with 3-1/2" PH-6 or inter changeable connection including handling crew and equipment if any- Operating Charges	30	350		
2	Drill Collar 4 -3/4" (47 ppf) with 3-1/2" PH-6 or inter changeable connection including handling crew and equipment if any- Standby Charges	15	350		
Sr.	Mobilization/demobilization charges	Distance (P)	No. of trailers (Q)	Unit Rate (R)	Total =(P X Q X R)
		KM	Nos.	US\$/KM/trailer	US\$
3	Drill collars Mob/De-Mob Charges including handling crew and equipment if any.	2600	02		
Sr.	Lost in hole and DBR	No. of drill collars (P)	Unit Rate (Q)	Total =(P X Q)	
		Nos.	(US\$/Drill Collar)	(US\$)	
4	LIH/DBR charges	4			
5	Total cost/Well (US\$)				=SUM(R1 : R4)
6	Grand total cost of Twenty (20) wells (US\$)				=20*R5

Note:

- 1 The bidder quoting lowest in the above table at "Grand Total Cost for Twenty (20) Wells" of the bid shall be the financially lowest. Contract will be awarded to the financially lowest bidder.
- 2 Number of wells, Days, Millage, recipes and quantities mentioned are for evaluation purposes only. Payment will be made as per actual.
- 3 Zero (0) value shall depict "free of cost" service.