

**ATTACHMENT – 2**

**TERMS & CONDITONS OF FOREIGN L/C**

**Attachment-2**

**OTHER TERMS AND CONDITIONS OF THE L/C TO BE  
STRICTLY COMPLIED BY THE BENEFICIARY  
FOREIGN**

**1.0 CONSIGNEE:**

The goods must be consigned to *the L/C establishing bank* and notify party Oil & Gas Development Company Ltd., Dy. Chief Material Officer, Plot No. 21, OGDCL Warehouse, West Wharf Road, Karachi. Telephone No. 021-32311108, 32313119, Fax No. 021-32311040, E-mail: [waheed\\_kunbhar@ogdcl.com](mailto:waheed_kunbhar@ogdcl.com)

**2.0 PACKING:**

**The Packing of the merchandise must conform to the International Standards and the packing list along-with Commercial Invoice must be placed inside the container without fail.**

**3.0 SHIPPING/PAYMENT DOCUMENTS.**

Negotiation period of documents shall be fifteen (15) days from the date of airway or bill of lading. Payment documents shall consist of the following:

- 3.1 Master Bill of Lading/Airway bill on Freight Pre-Paid Basis signed by the carrier or their authorized agent showing clean shipped on board. Freight forwarders, third party, short form, blank back and House Bill of Lading are not acceptable.
- 3.2 Detail Commercial invoice showing commodity description, quantity, unit/total price, total No. of packages, etc. containing original signatures showing:
  - 3.2.1 Complete, first and last shipment payment (if all material is shipped in one lot)
  - 3.2.2 First partial shipment/second partial shipment (and so on) Final and last shipment as the case may be if shipments are effected in parts
  - 3.2.3 All invoices should be signed and must indicate value of each item total value provided in the contract
- 3.3 Packing List, (Showing total number of packages, gross/net weight & measurement and Box No. in case of more than one boxes such as Box No. 1/10, 2/10 .....10/10 and so on and detailed of equipment in each box.
- 3.4 Certificate of origin.
- 3.5 MTC/Quality/ Warranty Certificates
- 3.6 Certificate that a copy of invoice and packing list has been pasted and enclosed in the equipment container

- 3.7 Certificate that the supplied equipment/items are brand new latest version and free from defect
- 3.8 Certificate of compliance of the credit terms as per clause No. 2 in respect of Packing.
- 3.9 Certificate that no CGO item is being imported
- 3.10 Technical Catalogue / literature copy (where applicable)
- 3.11 Third party Inspection report from any of following firms:

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

#### **4.0 MARKING:**

- 4.1 All Packages/boxes must bear the Purchase Order No. as Shipping Marks, Country of Origin and Weight in Kilograms (Gross/Net). The marks must tally with shipping documents like B/L and manifest there should not be any difference.
- 4.2 In addition to the above mentioned shipping marks, the following procedure of color code marking is to be adopted / made on each side of the package/box/container while dispatching the material: -  
  

“There will be an isosceles triangle with or less than six inches side, triangle side marked in black lines, letters “OGDCL” inscribed inside, the letters to be not less than 1½” tall and will be in black. On big packages/boxes/containers, the sides of triangle and letters will be increased appropriately. Underneath the triangle there will be two color code bars in “GREEN” color size six inches in length and 1½” in width. If the above color codes marking is not appropriate/suitable, the sizes and color may be changed”.
- 4.3 Each item of the consignment should also be marked with item # of the Purchase Order.

#### **5.0 DEDUCTION OF WITHHOLDING/SALES TAX/ANY RECOVERY**

All payments shall be subject to deduction of withholding and sales tax as applicable on prevailing rates. If the 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.

Further deduction in lieu of any recovery where applicable.

## **6.0 INSTRUCTIONS FOR COMPLETING SHIPPING DOCUMENTS:**

- 6.1 The shipping invoice should be marked on top in capital words.
- a) Complete, first and last consignment (if all the contractual material is shipped in one lot.)
  - b) First partial shipment/second partial shipment (and so on). Final and last shipment as the case may if shipments are effected in parts.
- 6.2 All Invoices should be signed, and must indicate value of the each items total value and also show 'SHIPPING MARKS' as provided in the contract.
- 6.3 All containers of cargo must carry copy of invoice. A compliance certificate in this regard shall be provided along with the shipping documents. In case on noncompliance the beneficiary shall pay the penalty imposed by the Custom Authority.

## **7.0 SHIPMENT INTIMATION:**

The beneficiary within 24-48 hours of making shipment must sent fax OR E-mail to (1) Dy. Chief Material Officer, Plot No. 21, West Wharf, Karachi, Fax No. 0092-21-2311040, E-mail: [waheed\\_kunbhar@ogdcl.com](mailto:waheed_kunbhar@ogdcl.com) (2) Manager (Foreign) Procurement, OGDC House Plot No. 3 (New NO. 3013)F-6/G6, Blue Area, Jinnah Avenue, Islamabad. Fax No. 0092-51-9244210 & 0092-051-9209803-7, E-mail: [ejaz\\_rizvi@ogdcl.com](mailto:ejaz_rizvi@ogdcl.com) (3) Manager (Finance/Imports) on Fax No. 0092-51-9209803-7, E-mail: [imtiazh\\_sherazi@ogdcl.com](mailto:imtiazh_sherazi@ogdcl.com) (4) National Insurance Company Limited, Karachi on FAX No. 0092-21-99202734 or E-mail: [sanaullah.shaikh@nicl.com.pk](mailto:sanaullah.shaikh@nicl.com.pk) OR [gulam.akbar@nicl.com.pk](mailto:gulam.akbar@nicl.com.pk), OR [info@nicl.com.pk](mailto:info@nicl.com.pk) intimating them the following: -

- a) L/C numbers and Contract No.
- b) Name of the Ship & Shipping Line.
- c) Bill of Lading No. & Date.
- d) Total CFR value of the consignment shipped.
- e) Port of shipment.
- f) No. of boxes/packages/pieces.
- g) Net and gross weight.
- h) Expected time of arrival (ETA) of ship.

## **8.0 SHIPMENT INSTRUCTIONS**

- a) The contractor/Supplier/Vendor is requested to ensure that Commercial Invoice / Packing List shall be pasted on the inner side of the door of container for FCL Shipments and on Boxes / Crates / Cartons etc. for LCL Shipments. Non-Compliance to this instruction may result in heavy penalty imposed by Custom Authorities which shall be recovered from the Contractor/Supplier/Vendor.

- b) Please ensure that in case of CFR contracts the local charges at Karachi Seaport/Airport must be included in the freight cost.
- c) The freight forwarders/shipping agents at country of origin must include the corresponding local charges such as delivery order/port handling & container rentals for free time etc. Company shall pay only the wharfage/demurrage charges. They should also ensure that there should be only one local agent of the shipping company who should handle such matters. In case OGDCL had to pay such charges, it shall be recovered from the contractor.

## **9.0 INSTRUCTION REGARDING TRANSMISSION/NEGOTIATION OF SHIPPING DOCUMENTS.**

### **9.1 ORIGINAL NEGOTIABLE DOCUMENTS:**

- a) The beneficiary immediately upon making shipment(s) should negotiate the original clean shipping documents free from any discrepancy with negotiating bank as indicated in the L/C.
- b) If clean documents free from any 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 whatsoever the demurrage or financial impact if any incurred due to late negotiation of clean documents will be on beneficiary's account.
- c) Original/negotiable documents must contain at least four sets of the shipping documents mentioned under Clause No. 5 above.
- d) The original shipping documents should be dispatched through courier service by the negotiating bank at the beneficiary's cost within 24-48 hours after receipt from the beneficiary.
- e) The discrepant documents with minor discrepancies will be accepted subject to the consent of Procurement Department to facilitate prompt clearance of the consignment on the condition that demurrage, if any due to the discrepancies reported by L/C opening bank will be on beneficiary account.

### **9.2 NON-NEGOTIABLE DOCUMENTS:**

- a) One complete sets of non-negotiable shipping documents must be dispatched OR E-mailed to the Manager Procurement (Foreign) at the following address immediately upon shipment is effected:-  
MANGER PROCUREMENT (FOREIGN)  
OIL & GAS DEVELOPMENT COMPANY LIMITED  
OGDC HOUSE, PLOT NO. 3 (NEW NO. 3013),  
F-6/G-6, BLUE AREA, JINNAH AVENUE,  
ISLAMABAD, PAKISTAN.

PHONE NO. 0092-51-920022144, 920023593 & FAX NO. 0092-51-9244210, 9209673

E-mail: [irshad\\_muhammad@ogdcl.com](mailto:irshad_muhammad@ogdcl.com)

- b) One complete sets of non-negotiable shipping documents must be dispatched OR E-mailed to Dy. Chief Material Officer at the following address immediately upon shipment is effected:-  
DY. CHIEF MATERIAL OFFICER,  
OIL & GAS DEVELOPMENT COMPANY LIMITED,  
PLOT NO. 21, WEST WHARF ROAD,  
KARACHI, PAKISTAN.  
PHONE NO. 0092-21-2311108, 2313119-23 &  
FAX NO. 0092-21-2311040  
E-mail: [waheed\\_kunbhar@ogdcl.com](mailto:waheed_kunbhar@ogdcl.com)
- c) The shipping documents should be couriered through any reliable courier company at shipper's cost so that the same must be received at least 10 days before arrival of the vessel.

#### **10.0 INSURANCE:**

Insurance from port of shipment/delivery will be covered by openers and declaration shall be made by the beneficiary to Insurance Company i.e. M/S National Insurance Company Limited, NICL Building, South Zone, Abbasi Shaheed Road, off Shahra-e-Faisal Road, Karachi (Pakistan). Fax No. 0092-21-99202734 or E-mail: 'sanaullah.shaikh@nicl.com.pk' OR [gulam.akbar@nicl.com.pk](mailto:gulam.akbar@nicl.com.pk), OR [info@nicl.com.pk](mailto:info@nicl.com.pk) and Chief Accountant (Imports)/OGDC LTD., Fax No. 0092-51-9209803-07 or E-mail: [zahoor\\_mohyuddin@ogdcl.com](mailto:zahoor_mohyuddin@ogdcl.com)' immediately after shipment giving full details of shipment e.g. value of shipment description of material, name of vessel, B/L with date, port of shipment, contract and Letter of Credit Numbers.

#### **11.0 DEMURRAGE DUE TO DELAY IN RECEIPT OF ORIGINAL/NEGOTIABLE DOCUMENT / TRANSSHIPMENT AND SHIPPING LINES AGENTS:**

- 11.1 If clean documents are not negotiated within negotiation period of the L/C or documents are withheld by bank on account of any discrepancy, the demurrage charges, if any incurred due to late negotiation of the clean documents and paid by the OGDCL will be realized from the beneficiary directly by raining debit advice, or by deducting the amount paid from the L/C value or by encashing Performance Bond (if provided) to the extent of demurrage amount. In case the demurrage amount exceeds the value of Performance Bond the balance amount will be payable by the beneficiary.
- 11.2 Transshipment is totally prohibited under this L/C. The beneficiary must ensure that no transshipment takes place against this L/C, and demurrage paid by OGDCL due to transshipment will be on beneficiary's account.
- 11.3 Any demurrage paid by OGDCL due to inconsistency in B/L and manifest will be recovered from beneficiary.

11.4 In addition above demurrage due to any reason shall be on beneficiary account.

## **12.0 LIQUIDATED DAMAGES**

- a) If the Contractor fails to complete the KPD-TAY Compression Project within the time period of Fourteen (14) 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.

## **13.0 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.

## **14.0 CHARGES FOR L/C ESTABLISHMENT**

- a. All Charges of the bank for credit opening will be borne by the OGDCL.
- b. All charges of corresponding bank such as negotiation of documents, adding confirmation to credit etc. will be to the account of beneficiary.

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

**15.0 PAYMENT TERMS (As per tender document)**