

# **CONDITIONS OF CONTRACT**

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### **ATTACHMENTS**

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**1.0 GENERAL**

These Conditions of Contract, together with the other parts of the Contract Documents shall apply to the Contract entered into Execution of Nashpa Compression Facility Project involving design engineering, procurement, construction, installation/erection, pre-commissioning, commissioning and start-up (including performance testing and Reliability Guarantee Test) of the Project. This Contract shall be drawn between Oil and Gas Development OGDCL Limited (OGDCL) and the successful Bidder for the Project.

**2.0 DEFINITIONS**

In the Contract the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

- a) “Tender Documents” means the documents issued by OGDCL for inviting Bids, which constitute the basis for bid proposals and the Contract.
- b) “Bid/Bid Proposal” means the offer of the successful Bidder to perform the Work in response to the Bidding Documents.
- c) “Contract” means the finally executed Contract between OGDCL and Contractor (i.e. successful Bidder).
- d) “Contractor” means the person or persons, firm or company whose Bid has been accepted by the OGDCL for engineering, procurement, construction, installation/erection, pre-commissioning, commissioning and start-up (including performance testing and Reliability Guarantee Test) of Nashpa Compression Facility Project and includes the Contractor's representatives, successors and permitted assignees.
- e) “Contract Documents” means the documents forming the contract and shall include:
  - This Contract
  - Conditions of Contract
  - Scope of work
  - Price Schedule
  - Work Schedule
  - Notification of Intention to Award

Appendix – A

Appendix – B

Appendix – C

Appendix – D

Appendix – E

- Basic Design Document Appendix – F
  - Bidder's Bid Proposal (Technical & Commercial) Appendix – G
  - Tender Document (Including Technical Specifications & Drawings) Appendix – H
  - OGDCL/Engineering Consultant & Bidders Correspondence Appendix – I
  - Mobilization Advance Payment Guarantee Appendix – J
  - Performance Bond (Guarantee) and list of bank Appendix – K
  - The measurement/verifications mechanism of progressive Payments Appendix – L
  - TOR for Third Party Inspection. Appendix – M
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  - HSE Protocols for Project (Contractor) Management Appendix - O
- f) The “Engineering Consultant/Consultant” referred to herein means M/s ENAR PETROTECH SERVICES (PRIVATE) LIMITED (ENAR) appointed by OGDCL for providing Consultancy Services for Nashpa Compression Facility Project.
- g) “Final Acceptance Certificate” means the certificate to be issued by OGDCL stating that the Contractor has fulfilled all his obligation under the Contract.
- h) “Goods”, “Equipment & Material” means items to be procured (supplied) under the Contract.
- i) “Manufacturer” means the person or party who will manufacture and supply the goods as specified complete or in part.
- j) “Mechanical Acceptance Certificate” means the Certificate issued by OGDCL/ Engineering Consultant that all works of the project are complete and ready for commissioning and start-up.
- k) “OGDCL/Owner/Company” means OIL & GAS DEVELOPMENT OGDCL LIMITED.
- l) “Person” means firm, Company corporation or consortium.
- m) “Project” means all the facilities included in Nashpa Compression Facility Project.

- n) “Provisional Acceptance Certificate” means the Certificate to be issued by OGDCL confirming that the Compression Facility has been successfully commissioned.
- o) “Provisional Acceptance Period” means the period between the date of issuance of the Provisional Acceptance Certificate and the Final Acceptance Certificate.
- p) “Project Site” means the area of Nashpa Gas Plant where Nashpa Compression facility shall be installed/constructed.
- q) “Permanent Works” means and includes all Works which will be incorporated and form part of the Project.
- r) “Specification” or “Specified” shall mean the requirements of the documents.
- s) “Sub-Contractor” means the person or party to whom any part of the work has or will be sublet by the Contractor with the written approval of OGDCL and includes his heirs, executors, administrators, representatives, successors, or assignees as approved by OGDCL/Engineering Consultant.
- t) “Temporary Works” means all temporary works of every kind required for execution and completion of the Project.
- u) “Vendors/Suppliers” means any person or company having direct Contract with Contractor for supply of equipment and material required for the Project.
- v) “Warranties” means all the warranties to be furnished or cause to be furnished by the Contractor in favor of OGDCL under the Contract and more particularly described in Article 45.0 hereof.
- w) “Work” means and includes all the works to be performed and all the services to be provided by the Contractor under the Contract for execution of the Project on complete responsibility including engineering, procurement (supply), construction, installation/erection, pre-commissioning, commissioning and start-up (including performance testing and Reliability Guarantee Test).
- x) “Taking-Over Certificate” shall mean the taking over certificate to be issued by OGDCL on guaranteed performance achieved or else liquidated damages recovered as prescribed in the Contract and the Plant has been operated smoothly during the Performance Test period.

- y) “Reliability Guarantee Test (RGT)” shall mean the test in which the Compression Facility has completed a continuous period of thirty (30) days with a maximum of four (04) shutdowns of major components of Compression Facility lasting not more than twelve hours (12). The Owner shall issue an Acceptance Certificate after the successful completion of RGT.
- z) “Defect Liability Period” shall mean the period after the issuance of Taking-Over Certificate of the Project in which the Contractor shall be liable for removing all / any defects at no cost to the Owner, which may occur due to defects, in Contractor’s Works and / or Services or for any other reason attributable to the Contractor.

### **3.0 SINGULAR AND PLURAL**

Words imparting the singular only also include the plural and vice versa where the context requires.

### **4.0 COMPLIANCE WITH BIDDING DOCUMENTS**

Engineering, procurement (Supply) of equipments/materials, construction, installation/erection, pre-commissioning, commissioning, start-up, performance testing and Reliability Guarantee Test of Nashpa Compression Facility Project shall be complete in all respects and in strict accordance with the Bidding Documents.

These “Conditions” of the Contract shall supersede any conditions made by the Contractor, in his proposal unless such conditions have been specifically included in the Contract.

### **5.0 USE OF CONTRACT DOCUMENTS AND INFORMATION**

- 5.1 The Contractor shall not, without OGDCL’s prior written consent, disclose the contents of Contract Documents, or any provision thereof, or any specification plan, drawing, pattern, sample or information furnished by or on behalf of the OGDCL in connection therewith, to any person other than a person employed by the Contractor in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

- 5.2 The Contractor shall not, without OGDCL's prior written consent, make use of any document or information enumerated in Sub-Article 5.1 except for purposes of performing the Contract.
- 5.3 Any documents, other than the Contract itself, enumerated in Sub-Article 5.1 shall remain the property of OGDCL and shall be returned (all copies) to OGDCL on completion of Contractor's performance under the Contract, if so required by OGDCL.

**6.0 SUFFICIENCY OF TENDER**

The Contractor shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his Tender for the Project and that the prices stated in the Prices schedule cover all his payment obligations under the Contract and all matters and things necessary for the proper execution of the Project as per requirement of the Project.



**7.0 INTERPRETATION**

- 7.1 Decision by Engineering Consultant shall be conclusive as to the true intent and meaning of Engineering Consultant's drawings and technical specifications. Any discrepancy which may exist between drawings and the technical specifications shall be referred to Engineering Consultant, whose decision as to the true meaning shall be final and binding for the Contractor.
- 7.2 The Contractor shall study and review the drawings, technical specifications and other information given to him by Engineering Consultant. During this review, if it comes across any discrepancies, inconsistencies the same shall be reported in writing to the Engineering Consultant.
- 7.3 All drawings and technical specifications, being instruments of services, are the property of OGDCL and shall be returned when the Work is completed.
- 7.4 Verbal instructions or information received from the Engineering Consultant's office will not be recognized by him unless confirmed in writing.
- 7.5 The drawings and technical specifications are intended to be complementary to each other so that any items set-forth in either shall be recognized as if duly set-forth in both.

**8.0 ASSIGNMENT**

The Contractor shall not assign the Contract or any part thereof, or any benefit or interest therein or there under without the prior written consent of OGDCL and Consultant.

**9.0 STANDARDS**

The equipment/materials to be supplied and engineering, installation, erection and construction work to be performed by the Contractor under this Contract shall conform to the standards specified in the Technical Specifications and Drawings given in **Volume– II** of Tender Document, unless specified/agreed between OGDCL and the Contractor.

**10.0 PATENT RIGHTS**

The Contractor shall indemnify OGDCL against all actions, claims, demands, costs, charges, damages and expenses arising from or incurred by reason of any infringement of patent, trade mark or industrial design rights arising from Contractor's performance under this Contract.

**11.0 CONTRACTOR'S OBLIGATIONS****11.1 General Obligations**

The Contractor shall be responsible for execution of the project on complete responsibility basis and accordingly carry out all activities necessary to have in place an operational Nashpa Compression Facility including a complete check and endorsement of basic Engineering design package, detailed design engineering, procurement (supply) of equipment and material, construction, installation/erection, testing and complete all the civil, mechanical, electrical and instrumentation works, hook-up, tie-ins, pre-commissioning, commissioning, Performance Testing, Reliability Guarantee Test & startup until issuance of Final Acceptance Certificate. When completed, the works shall be fit for the purposes for which it is intended and as defined in the Contract.

The Contractor shall remain, at all times, fully responsible for the performance, co-ordination and general management and execution of the Project. The Contractor's responsibility shall include the obligation to co-ordinate and manage the progress of engineering and design, procurement, manufacturing, inspection, supply, installation, Erection, construction, civil works, testing, completion, Pre-commissioning, Commissioning & Start-up of Nashpa Compression Facility Project and making good of defects in the Works at its cost until Final Acceptance. The Contractor shall provide all necessary supervision during the execution of the Project to ensure achievement of the object of this Contract. The Contractor shall ensure the provision of Vendors full time assistance on the Site during Erection and Commissioning of the Project.

The Contractor shall ensure that the Nashpa Compression facility is designed and performs in such manner that Pakistan manufacture goods and services are used to the maximum extent possible, without in any manner affecting Guaranteed Performance, project execution schedule, applicable codes, standards and specifications set out in the Contract, or the cost and quality of the Works. The Contractor shall also ensure

that OGDCL is not deprived of exemption or concession from taxes/ import duties available to OGDCL under the Laws of Pakistan. If Contractor imports such material/ equipment/ part of plant/ spares etc. which are being manufactured in Pakistan, then any additional duties/ taxes/ levies/ penalties/ guarantees imposed/ assigned by any Govt./ Custom Authorities will be the sole responsibility of the Contractor. Further if required, these will be adjusted / deducted by OGDCL from any due payment of the Contractor.

All machinery, equipment, materials, spare parts, components, apparatus, accessories, and articles, and all other items, which the OGDCL has paid for, shall at all times remain the property of the OGDCL. All such machinery, equipment, materials, spare parts, components, apparatus, accessories, and articles, and other items, which have not been incorporated into the Project shall be handed over to the OGDCL prior to the issuance of the Taking Over Certificate.

The Contractor shall be responsible for obtaining, at its own cost, water and power required for the Works, including construction of camps, Site offices, etc. OGDCL will not be responsible for any cost in this regard.

The Contractor shall provide the documents specified in the Contract, and all construction plant, Contractor's personnel, goods, consumables and other things and services, whether of a temporary or permanent nature, required in and for completion of Work in all respects.

The Work shall include any work, which is necessary to satisfy OGDCL/Engineering Consultant's requirements, or is implied by the Contract, and all works, which (although not mentioned in the Contract) are necessary for the completion, or safe and proper operation, of the Project.

The Contractor shall, whenever required by OGDCL/Engineering Consultant, submit details of the arrangements and method, which the Contractor propose to adopt for the execution of the Project. No significant alteration to these arrangements and methods shall be made without this having previously intimated and approved by OGDCL/Engineering Consultant.

**11.2 Contractor's Undertakings**

The Contractor undertakes to OGDCL that:

- a. During operation, the Plant will perform to the standards set out in the Contract and shall achieve Guaranteed Performance at the time of Performance Tests.
- b. The Plant shall be specified using internationally approved engineering practices and (where applicable) the standards and specifications set out in the Contract, will be fit and sufficient for their intended purpose, will comply with all the requirements of the Contract and will meet the applicable international professional standards;
- c. The materials, equipment, plant, machinery, components, apparatus, accessories, articles and other goods to be procured (supplied) by Contractor shall be brand new, state of the art, of sound and merchantable quality, of first class workmanship, and shall be fit for their purpose, and shall be of the highest internationally approved standards, and that the various items of material, machinery, equipment & plant shall result in a completely coordinated Plant capable of achieving Guaranteed Performance and that various items procured shall only be from good, reputable and recognized Vendors supplied with valid test certificates. All the equipment shall be latest & respective spare parts shall be continued atleast for next fifteen (15) years. In this regard OEM Certificate of each equipment will be submitted in the technical bid.
- d. The Plant will successfully complete the tests and trials stipulated in the Contract and the Performance Tests and shall achieve the Guaranteed Performance;
- e. The Contractor and Sub-contractor(s) have all the resources (financial and otherwise), experience, qualifications, capabilities and personnel at their disposal as are required to perform the Works in accordance with internationally approved engineering practice and standards of design/engineering, procurement and project management all in order to achieve the objective of the Contract;
- f. The Compression Facility will be designed, manufactured, fabricated, procured and erected strictly in accordance with industry standards, provisions contained in the Contract and with design consented by the OGDCL/Engineering Consultant and laws of Pakistan.

- g. The Contractor's obligations, Guaranteed Performance, warranties, guarantees, representations, undertakings and responsibilities under the Contract shall not be waived or modified in any way by reason of reviews and/ or Consents of OGDCL reviews, consents and approvals of Engineering Consultant;
- h. The Contractor shall commence the Works immediately on the Effective Date of mobilization to site as per Clause 15.0 of Conditions of Contract.
- i. The Contractor has inspected and examined the available Site and its surrounding areas and has fully satisfied itself before signing this Contract as to the nature, location, physical conditions, prevailing local conditions & Culture applicable to the Project and has obtained all necessary information as to risks contingencies and other circumstance which may influence or affect of the Project.
- j. The Contractor shall design, manufacture and procure the Compression Facility and perform the Works in such manner as will ensure compatibility with the Existing Facilities and will further ensure that the operations of the Existing Facilities are not disrupted in any manner and that the Existing Facilities are able to operate to the fullest extent of their capacities;
- k. The Contractor shall remedy in accordance with the Contract, defects in the Plant resulting from faulty erection, engineering of Plant and workmanship at its own cost.
- l. The Contractor shall execute, complete and maintain the Project strictly in accordance with the Contract. The mode, manner and speed of execution of the Project shall be conducted in a manner which is in accordance with this Contract.
- m. The Contractor shall not be relieved of any of its obligations under the Contract as a result of any act or omission, examination, review, inspection, approval or instruction, or Consent, or failure to examine, review, inspect, approve or instruct or Consent, by the OGDCL or the Engineering Consultant.
- n. The Contractor should note that the existing Nashpa Gas Plant is in operation and all the work will be carried out in the surroundings of the running Plant. The Contractor should take due diligence for the working conditions and environment.

The Contractor shall ensure local representation in manpower (Labour & skilled Tech.) deployed at the project site in accordance with prevalent Govt. Policies/ Instruction/ requirements.

**11.3 Contractor's Representative**

The Contractor shall appoint the Contractor's Representative and shall give him all authority necessary to act on the Contractor's behalf under the Contract.

Unless the Contractor's Representative is named in the Contract, the Contractor shall, prior to the Commencement Date, submit to OGDCL/Engineering Consultant for consent the name and particulars of the person the Contractor proposes to appoint as Contractor's Representative. If consent is withheld or subsequently revoked, or if the person fails to act as Contractor's Representative, the Contractor shall similarly submit the name and particulars of another suitable person for such appointment. OGDCL/Engineering Consultant may interview, nominated person before the issue of consent.

The Contractor shall not, without the prior consent of OGDCL/Engineering Consultant, revoke the appointment of the Contractor's Representative or appoint a replacement.

The Contractor's Representative may delegate any powers, functions and authority to any competent person and may at any time revoke the delegation. Any delegation or revocation shall not take effect until OGDCL/Engineering Consultant has received prior notice signed by the Contractor's Representative, naming the person and specifying the powers, functions and authority being delegated or revoked.

**11.4 Sub-Contractors**

The Contractor shall not subcontract the whole of the Work or any part thereof without the prior written consent of OGDCL.

The Contractor shall be responsible for the acts or defaults of any Sub-Contractor, his agents or employees, as if they were the acts or defaults of the Contractor. Unless otherwise agreed by OGDCL/Engineering Consultant, the Contractor shall give OGDCL/Engineering Consultant not less than **fifteen (15) days** notice of:

- a) The intended appointment of a Sub-Contractor for a part of the Work, with detailed particulars, which shall include the relevant experience of the Sub-Contractor whom the Contractor intend to appoint.
- b) Qualification and experience of the Sub-Contractor's staff as may be asked by OGDCL/Engineering Consultant.
- c) Details of manpower and other resources available with the Sub-Contractor.
- d) The intended commencement of each Sub-Contractor's Work, and
- e) The intended commencement of each Sub-Contractor's Work on Project Site.

OGDCL/Engineering Consultant after reviewing the above information shall give his approval for the intended sub contracting arrangement.

The approved Sub-Contractor shall not be allowed to further sub contract the Work under his scope. If more than one Sub-Contracts are awarded to one Sub-Contractor it shall not be managed by the same team simultaneously.

Approval of a Sub-Contractor by OGDCL/Engineering Consultant shall not release the Contractor of any of its obligation and responsibilities under the Contract nor OGDCL/Engineering Consultant shall have any obligation with regard to the sub contracting arrangement between the Contractor and the Sub-Contractor.

Approved Sub-Contractor shall be responsible for carrying out the Work in accordance with the requirement of the Contract Documents, and all conditions of the Contract shall be applicable to him. Any dispute (Financial or Otherwise) between Contractor & its approved Sub-Contractor will not affect the project work at site while OGDCL/ Consultant shall be indemnified to resolve such disputes.

#### **11.5 Cooperation**

The Contractor shall, as specified in the Contract or as instructed by OGDCL/ Engineering Consultant, responsible free access at all times for carrying out inspection or work to:

- a) OGDCL's personnel,
- b) the Engineering Consultant's personnel,
- c) any other Contractor employed by OGDCL, and
- d) the personnel of any legally constituted public authorities,

who may be employed in the execution on or near the Site of any Work not included in the Contract.

The Contractor shall be responsible for his construction activities at Project Site, and shall co-ordinate his own activities with OGDCL/Engineering Consultant and other Contractors.

**11.6 Safety Procedures**

During the execution of the Work, the Contractor shall strictly follow OGDCL/Engineering Consultant safety requirements. The Contractor shall also exercise due care for facilities of other parties. In any event the Contractor shall be liable for any damages and/or losses incurred including third party losses.

The Contractor shall:

- a) comply with all applicable safety regulations and HSE Protocols for Project (Contractor) Management, For detail, refer to **Appendix-O**.
- b) take care for the safety of all persons entitled to be on the site,
- c) use reasonable efforts to keep the Project Site and Work clear from unnecessary obstruction so as to avoid danger to these persons,
- d) provide fencing, lighting, guarding and watching of the Work until completion, and
- e) Provide any Temporary Work (including roadway, footways, guards and fences) which may be necessary, because of the execution of the Work, for the use and protection of the public and of Owners and occupiers of adjacent lands.

**11.7 OGDCL/Engineering Consultant Not Liable for Information/Data**

The Contractor shall bear sole responsibility for obtaining all information required by it to perform the Work in strict compliance with this Contract and shall rely on the same at its own exclusive responsibility and risk. OGDCL/Engineering Consultant shall provide to the Contractor information and engineering data required by the Contractor in order to ensure performance of the Work in strict accordance with the requirements of this Contract. The Contractor at its own risk shall consider and check information and engineering data received from OGDCL/Engineering Consultant.



**11.8 Quality Assurance**

The Contractor shall institute a quality assurance and document control system to demonstrate compliance with the requirements of the Contract. The system shall be in accordance with the details stated in the Contract. OGDCL/Engineering Consultant shall be entitled to audit any aspect of the system.

Details of all procedures and compliance documents shall be submitted to OGDCL / Engineering Consultant for information before each execution stage is commenced. When any document of a technical nature is issued to OGDCL / Engineering Consultant, evidence of the prior review, check and approval by the Contractor himself shall be apparent on the document itself.

Compliance with the quality assurance system shall not relieve the Contractor of any of his duties, obligations, or responsibilities under the Contract.

**11.9 Unforeseeable Difficulties**

The Contractor shall be deemed to have obtained all necessary information as to risks, contingencies and other circumstances including the variation in price of material of construction, cost of living, labor cost, etc. which may influence or affect the Work. By signing the Contract, the Contractor accepts responsibility for having foreseen all difficulties and cost for successfully completing the Project. The Contract Price shall not be adjusted to take account of any unforeseen difficulties or cost, except as otherwise stated in the Contract.

**11.10 Protection of the Environment and Wildlife & Responsibility**

The Contractor shall take all reasonable steps to protect the environment (both on and off the Project Site) and to limit damage, the nuisance to people and property resulting from pollution, noise and other results of his operations. Damage to any property and environment shall be restored by the Contractor at its own cost.

The Contractor shall ensure that emissions, surface discharges and effluent from the Contractor's activities shall not exceed the permissible values prescribed by applicable laws.

The Contractor or its Sub-Contractor shall not adopt any method for Work or camps living which may be damaging to environment or wildlife. The Contractor/Sub-Contractor shall not violate any law which may be in force for the protection of

environment and wild life. Work in any protected zone shall be planned and executed in accordance with the requirement of the concerned department. Work shall be planned and executed to avoid any damage to any archeological or historical site in the vicinity of the Project Site, Contractor shall take necessary precautions to protect its workers from indulging, in shooting, hunting, cutting of trees or any other activity which may be against the law or damaging to environment or wildlife.

The Contractor agrees to inform himself and his Sub-Contractor of environmental protection laws, orders and regulations and to make all his employees and the Sub-Contractor fully cognizant of their responsibilities thereunder. The Contractor undertakes that all Work shall be completed in a manner which complies with Federal and Provincial or Local Governments environmental and wildlife laws, regulations, procedures, etc. Contractor shall clean-up and remove any pollutant resulting from Contractor's non-compliance with the provisions of this Clause at his cost and expense; and if Contractor fails to do so, OGDCL may cleanup and remove the pollutant at Contractor's cost and expense. Without in any way limiting the generality of any other indemnity provisions contained in the Contract, Contractor agrees to indemnify and hold OGDCL harmless from and against all liability, loss, cost, damage and/or expense of every nature caused by, arising from, growing out of or incidental to any failure of Contractor to comply with the provisions of this Article.

**11.11 Security**

a) Operational Area:

Contractor will be responsible for their operational area Security in the Plant and will ensure following:

- i. Contractor will fence the operational area with razor coil above the fence.
- ii. Contractor will place the gate.
- iii. Operation area shall be installed with CCTV cameras with at-least 15 days back-up recording.
- iv. Operational area approximate (130x90 meters) shall have guards for safety of contractor employees and to avoid any theft incident. At-least 01 supervisor and 03 guards shall be employed by the Contractor.

b) Employees Camp/ Move

- i. Contractor employees shall not stay in OGDCL camp and their stay shall be independent. They shall preferably camp near to the Nashpa Plant to reduce Security hazards during their movement.
- ii. The land for the EPCC Contractor camp area has been allocated, which shall be provided @Rs. 6000/ Kanal on rental basis.
- iii. Contractor shall provide escort / at-least two armed guards during the movement of his employees from camp area to Nashpa Plant.
- iv. Armed guards shall be deployed at camp area.

c) Expatriates NOC/ Movement

- i. Provision of NOC for expatriates from all concerned offices, intimation to District Police Officers / Police Stations will be responsibility of the Contractor, however OGDCL Security Department will assist the Contractor as and when required.
- ii. Contractor will arrange and provide the bullet proof vehicle and escort for the expatriates move from Islamabad to Nashpa Plant / Camp areas and return.
- iii. Security SOPS for the stay of expatriates needs special arrangements and shall be ensured before their movement to Nashpa Plant.

- d) The Contractor shall be responsible for keeping unauthorized persons off the project site.
- e) Authorized persons shall be limited to the Contractor's Personnel, Sub-Contractor and OGDCL's/Engineering Consultant's Personnel and other personnel notified to the Contractor, by (or on behalf of) OGDCL/ Engineering Consultant, as authorized personnel of OGDCL's/Engineering Consultant's other Contractors of the Project Site.
- f) The Contractor shall be solely responsible for the safety and security of Project Site until its handover to OGDCL on Completion of Project.
- g) In case of any security issues, the Contractor shall keep OGDCL/Engineering Consultant informed through OGDCL Security Incharge at all times.
- h) The Contractor shall be solely responsible for the security of during movement its Employees & at site while OGDCL will only facilitate in case any assistance required
- i) Contractor is responsible to provide list of their employees to OGDCL to get Entry cards from OGDCL Security Incharge of the location, to facilitate their entry.

11.12 **Contractor's Operations on Site**

The Contractor shall confine his operations to the Project Site, and to any additional areas, which may be obtained by the Contractor and agreed by OGDCL as working areas. The Contractor shall take all necessary precautions to keep Contractor's Equipment and Contractor's Personnel within the Project Site and these additional areas, and to keep them off adjacent land.

During the execution of the Project, the Contractor shall keep the Project Site free from all unnecessary obstruction, and shall store or dispose off any Contractor's Equipment or surplus materials. The Contractor shall clear away and remove from the

Project Site any wreckage, rubbish and Temporary Work, which are no longer required at its own cost. Removal of construction equipment from the Project Site shall, however, be with prior permission of OGDCL/Engineering Consultant.

Upon completion of the Project, the Contractor shall clear away and remove all Contractor's equipment, surplus material, wreckage, rubbish and Temporary Work at its own cost. All surplus and packing materials shall be handed over to OGDCL and shifted by the Contractor, at place(s) designated by OGDCL/Engineering Consultant. The Contractor shall leave the Project Site and the Work in a clean and safe condition. Except that the Contractor may retain at Project Site, such Goods as are required for the Contractor to fulfill obligations under the Contract.

**11.13 Fossils**

All fossils, coins, articles of value or antiquity, and structures and other remains or items of geological or archaeological interest found on the Project Site shall be promptly notify & handover to OGDCL. The Contractor shall take reasonable precautions to prevent Contractor's Personnel or other persons from removing or damaging any of these findings.

**12.0 ENGINEERING CONSULTANT'S RESPONSIBILITIES**

- 12.1 The Engineering Consultant shall provide engineering, & consultancy services including review of technical documents/drawings, procedures, decisions, certificates, verification of Contractor's invoices and orders as specified in its Contract with OGDCL. The Engineering Consultant responsibility shall include but not limited to inspection of equipment and materials, review documents, monitor and supervise Contractor's Work and to test and examine any materials to be used or workmanship employed in connection with the Work being performed by the Contractor.
- 12.2 The Engineering Consultant may from time to time in writing delegate to its representative any of the powers and authorities vested in the Engineering Consultant. Any written instruction or approval given by the Engineering Consultant's representative to the Contractor within the terms of such delegation, but not otherwise, shall bind the Contractor as though it had been given by Engineering Consultant, provided always as follows:

- a) Failure of the Engineering Consultant's representative to disapprove any work or materials shall not prejudice the power of Engineering Consultant to disapprove such work or materials if determined defective and to order the pulling-down, removal or breaking-up thereof.
  - b) If the Contractor is dissatisfied by reason of any decision of Engineering Consultant's representative, Contractor shall be entitled to refer the matter to Engineering Consultant, who shall thereupon confirm, reverse or vary such decision.
- 12.3 The review, checking, inspection, supervision and approval by Engineering Consultant shall in no way relieve the Contractor from his responsibilities of performance of Work as per Contract, proper superintendence and making corrections or redoing of the Work to remove defects noticed during Contract performance.
- 12.4 As Site Supervisor, Consultant will also supervise & coordinate all the pre-commissioning, commissioning activities & performance testing and Reliability Guarantee Test till the provisional acceptance of Project.
- 12.5 Consultant will periodically check the works during the execution & if deemed necessary, for operational/ maintenance point of view, may provide corrective recommendation(s) for immediate action of Contractor which may not be covered in Contractor's SOW.

### **13.0 OGDCL'S RESPONSIBILITIES**

OGDCL shall be responsible for providing Contractor following:

- a) Gas supply whenever required with prior Ten (10) days' notice time (for connection).
- b) Custom clearance of foreign material from Karachi Port & its mobilization to Project site Nashpa by OGDCL may take 10~15 days provided all clean original shipping documents are submitted to Incharge Material West Wharf (OGDCL) before arrival of vessel at Port. Any delay due to discrepancies in the documents shall be on part of EPCC Contractor.
- c) Information, engineering data/documents and equipment & materials as stipulated in the Contract Document.

- d) Providing facilitation letters only for permits and approvals which Contractor may require for the execution of the Project Works at site but it is the sole responsibility of the contractor to obtain timely permits and approvals any delay in this regard shall be on contractor's account. However, the Contractor shall timely submit the list of required permits/approvals.
- e) Ensure timely review and approvals of documents by Consultant submitted by EPCC Contractor.
- f) Marine Insurance (from Port of Loading to Project Site), Custom Duties, Custom Clearance and Inland Transportation.
- g) Provide space for installation of Project equipment.
- h) Payment to the contractor shall be paid by OGDCL within the time as stipulated in the contract.
- i) Issuance of certificate on the written request of contractor after successful completion of milestone.
- j) Timely inspection of material/equipment by OGDCL/Consultant.

#### **14.0 PROJECT COMPLETION PERIOD**

The timely completion of the Project by the Contractor shall be the essence of the Contract, as OGDCL has to meet its obligations for completion of the Project and continuous Supply of Gas. Accordingly, the Contractor (Successful Bidder) is required to complete the design engineering, procurement, construction, installation / erection, pre-commissioning, commissioning, startup and performance testing of Nashpa Compression Facility Project within **Twelve (12)** months from date of establishment of supply letter of credit for foreign component. The Work schedule is given in **Appendix – D**.

**15.0 MOBILIZATION/COMMENCEMENT OF WORK**

The Contractor shall mobilize at Project Site to commence the work within **15 days** upon mutually agreed time schedule after issuance of a written mobilization notice

**16.0 PROGRESS REPORTING**

The Contractor will send Progress Reports on Daily, Weekly & Monthly basis via Email or Fax to OGDCL & Consultant (at site & H/O)

- 16.1 At thirty (30) days intervals during the performance and duration of the Contract the Contractor shall submit progress report (six copies) to OGDCL/Engineering Consultant. The reports shall show clearly and accurately the position of all activities associated with engineering, procurement (supply), construction, pre-commissioning, commissioning and start-up (including performance testing) of the Project and apart of Project Execution Schedule. The progress reports shall be set out in a format approved by OGDCL/Engineering Consultant.
- 16.2 The progress report shall indicate each item of progress of Work giving the percentage completion and expected completion date vis-à-vis agreed project execution schedule.
- 16.3 A delay due to any reason which may affect the completion, commissioning and testing dates of any item of Work shall be reported by the Contractor to OGDCL/Engineering Consultant giving specific reasons for such delay therein. The report shall state the action being taken to overcome such delay and to ensure adherence to the agreed project schedule.
- 16.4 The Contractor's Site Office shall prepare and submit to OGDCL/Engineering Consultant three (3) copies of Daily Activity Report summarizing the main activities undertaken and completed each day such as welding, piping, hydrostatic tests, etc.

**17.0 RATE OF PROGRESS**

If for any reason, the rate of progress of the Work or any section is at any time, in the opinion of OGDCL/Engineering Consultant, too slow to ensure completion by the prescribed time or extended time for completion, OGDCL/Engineering Consultant shall so notify the Contractor in writing and the Contractor shall thereupon take such

steps as are necessary to expedite progress so as to complete the Project or such section by the prescribed time or extended time, if agreed to by OGDCL/Engineering Consultant.

## **18.0 OGDCL/ENGINEERING CONSULTANT ACCESS TO THE WORK**

- 18.1 OGDCL's/Engineering Consultant's representatives and any person(s) so authorized by them shall at all times have access to the Work and to all workshops, and places where work is being performed at Contractor's Office, Fabrication, Manufacturing and Project Site.
- 18.2 No Work shall be covered up or put out of view without prior approval of OGDCL's/Engineering Consultant's representatives and the Contractor shall afford full opportunity for OGDCL's/Engineering Consultant's representatives to examine, measure and test any work, which is going to be covered up or put out of view. The Contractor shall give notice to OGDCL/Engineering Consultant, which shall be reasonably in advance and OGDCL/Engineering Consultant without unreasonable delay examine, measure and inspect such Work.
- 18.3 The Contractor to arrange proper and safe access for the OGDCL/Engineering Consultant staff, in a manner that all Work can be inspected at any time until a permission for its cover up backfill has been given by the concerned OGDCL/Engineering Consultant.

## **19 0 DETAILED WORK PROGRAMME/SCHEDULE**

- 19.1 The Contractor shall, within fifteen (15) days of the notification after the award the Contract, submit to OGDCL/Engineering Consultant for their approval Detailed Work Programme/Schedule showing the sequence/order of activities procedures and methods in which he proposes to fulfill his obligations under the Contract within the stipulated completion time. The Programme/Schedule shall be comprehensive (upto level 04 or further as required) and shall show break-up of principal elements and major items of Work, the date upon which engineering, procurement (supply) equipment/materials, each type of construction or activity and pre-commissioning, commissioning & startup, including performance testing is scheduled to begin and complete. Full particulars of the organization staff by which the Contractor proposes



to direct and administer for due and faithful performance of the Contract shall also be furnished along with the Detailed Work Programme/Schedule.

- 19.2 The Contractor shall whenever required by OGDCL/Engineering Consultant or their representatives, also provide in writing approach, methods plans, which the Contractor proposes to adopt for execution of various components of Work.
- 19.3 If at any time it should appear to OGDCL/Engineering Consultant that the actual progress of the Work does not conform to the approved programme/schedule, the Contractor shall produce, at the request of OGDCL/Engineering Consultant, the Contractor shall apprise OGDCL/Engineering Consultant for such non conformance of the approved programme/schedule and if agreed by OGDCL/Engineering Consultant, the Contractor shall provide a revised programme/schedule showing the modifications to the approved programme/ schedule necessary to ensure completion of the Work within the stipulated completion time.
- 19.4 The submission to and approval by OGDCL/Engineering Consultant of such programmes or the furnishing of such particulars shall not relieve the Contractor of any of his duties or responsibilities under the Contract.

**20.0 COMPLIANCE WITH STATUTES, REGULATIONS, ETC.**

- 20.1 The Contractor shall conform in all respects with the provisions of any and all applicable laws, regulations, by-laws, rulings and orders which may be applicable to the Work and with such rules and regulations of public bodies and companies as aforesaid and shall keep the OGDCL indemnified against all penalties and liabilities of every kind for breach of any such Statute, Ordinance or Law, regulation or by-law.
- 20.2 The Contractor shall pay particular attention to all legal, technical and safety requirements in force concerning Work to be performed in Nashpa Compression Facility Project.
- 20.3 OGDCL/Engineering Consultant shall assist the Contractor by advising Contractor on such laws, regulations and bye-laws from time to time in force which are in OGDCL's/Engineering Consultant's knowledge and possession.

- 20.4 The Contractor shall at all time be liable to comply with the provisions of labor legislations. The OGDCL shall have the right but not the obligation to carry out periodic checks to ensure the Contractor's compliance with the said labor legislations, should the Contractor however be in default of these obligations the OGDCL may serve a notice of such default on the Contractor. The Contractor shall obligated to rectify the default within five (5) days of the notice.

## **21.0 SAFETY REQUIREMENTS**

- 21.1 The Contractor shall make himself familiar with all codes regulating safety, which may be applicable in his performance of the Works.
- 21.2 The Contractor shall observe all OGDCL safety regulations and HSE Protocols for Project (Contractor) Management, for detail, refer to **Appendix-O**.
- 21.3 At all times during execution of Work extreme care shall be exercised by the Contactor for safety of existing Plant. In an event of accident or damage to existing facilities because of the negligence and forth reasons solely attributed to the Contractor shall liable for damages and or losses incurred.
- 21.4 The Contractor shall obtain safety permits for his Work at Plant (if required) from management of OGDCL. The Contractor shall meet all the requirements and precautions as stipulated in the said permits.
- 21.5 The Contractor shall be solely responsible for the safety of the worker's and material during the execution of the Project. Contractor shall plan and execute all activities in a very safe manner.
- 21.6 Any accident resulting in a major human injury, constructional plant outage or any damage to project equipment/material shall be immediately reported to OGDCL/ Engineering Consultant.

## **22.0 PERFORMANCE BOND/GUARANTEE**

- 22.1 Within fifteen (15) days of the receipt of notification of intent to award the Contract from OGDCL, the successful Bidder shall furnish a Performance Bond in the form of Bank Guarantee for an amount of ten percent (10%) of the Contract Price as a guarantee for the due and faithful performance of the Contract. The said Performance Bond shall be valid upto twelve (12) months from the date of Taking Over Certificate.

The performance Bond/Guarantee should only be provided from banks listed in **(Appendix-K)**.

- 22.2 As a guarantee for the faithful performance of the obligations under the Contract, the Contractor shall establish such Guarantee in favor of OGDCL as per Contract Documents.
- 22.3 The said Guarantee and the terms of the said security shall be in accordance with format given in **Appendix – K**. The procurement of such Guarantee and the cost of the security to be so entered into shall be at the expense of the Contractor.
- 22.4 The proceeds of the Performance Bond/Guarantee shall be payable to OGDCL as compensation for any loss resulting from the Contractor's failure to fulfill its obligations under the Contract (including guarantee/warranty).
- 22.5 The Performance Bond/Guarantee shall be released to the Contractor after twelve (12) months from the date of Taking over Certificate, provided that the Contractor has performed and fulfilled guarantee/warranty obligations in pursuance of the Conditions of Contract. If Contractor is unable to meet its obligations the Performance Bond/Guarantee will be extended or encashed as per OGDCL's discretion.

### **23.0 CONTRACT PRICE AND PAYMENT TERMS**

#### **23.1 Contract Price**

In consideration of the due performance of the obligations of the CONTRACTOR, OGDCL shall pay a lump sum price of \_\_\_\_\_ for design engineering, procurement (supply), construction, installation/erection, pre-commissioning, commissioning & startup (including Successful commissioning, performance testing & Reliable Guarantee Testing (RGT)) and remedying defects during DEFECT LIABILITY PERIOD of Twelve (12) Calendar Months after the issuance of Taking Over Certificate of Nashpa Compression Facility Project.

Single contract will be signed for lump sum price. The breakdown of the lump sum price into various components of the Nashpa Compression Facility shall be provided by Bidder as per Financial Bid format (**Appendix- C Summary**)

Foreign SUPPLY:

- a) Procurement (Supply) of Four (04) Compressor Packages.

- b) Procurement (Supply) of mechanical/piping, electrical & instrument bulk material.

**Foreign SERVICES:**

- a) Vetting and endorsement of Basic Design for Compressor Packages, their suction & discharge headers, piping and associated tie in points for all required services & facilities.
- b) Detailed Design Engineering.
- c) Project Management Control, Administration and General Services.
- d) Design Review Meeting and HAZOP study.
- e) Factory Acceptance Test & on shop training of OGDCL's engineers.
- f) Provision of OEM's Documents/Drawings/Manuals/Catalogues.

**Local SUPPLY:**

- g) Procurement (Supply) of equipment and material for mechanical/piping, electrical, instrument and civil.

**Local SERVICES**

- h) Detailed Design Engineering.
- i) HAZOP Study for the systems outside the compressor package.
- j) Project Management Control, Administration and General Services.
- k) Construction, Fabrication, Installation, Erection, Hook-up and pre-commissioning.
- l) Commissioning & testing (inclusive of Performance Test and RGT)
- m) Site Training & Documentation.

Detailed schedules of the CONTRACT PRICE are given in **Appendix – C**

The above-specified total price of the CONTRACT covers the total payment for CONTRACTOR'S obligations under the CONTRACT for complete scope of work and the entire obligations of the Contractor with no exceptions.

The price to be charged by the CONTRACTOR for execution of Nashpa Compression Facility Project under the CONTRACT shall not vary from the prices quoted by the CONTRACTOR in the bid. The price shall include fee for all necessary-taxes, in line with Tax Clause 28.0. The price shall remain fixed and shall not be subject to

escalation throughout period till completion and successful commissioning, Performance & RGT of the Nashpa Compression Facility Project regardless of any circumstances whatsoever even unforeseeable that may affect the cost and justify therefore a price adjustment.

The prices shall be quoted by the bidder separately in the following currencies:

- a) For those inputs to the Project which the bidder expects to supply from outside Pakistan (referred to as "the foreign currency component") shall be in US Dollars.

*Note: In case of local EPCC Contractor, the foreign currency component shall not be paid in USD but equivalent in Pak Rupees. However, if local EPCC have some declared foreign branch, then foreign currency component may be paid in USD.*

- b) For those inputs to the Project which the bidder expects to supply from within Pakistan, in Pak Rupees;

The payment of custom duties, taxes, etc. as applicable on import of the Compression Facility and materials used in construction of Project which do not form part of the Project shall be on the Contractor's account.

An item-wised price list of OEM spare parts for two (2) years operation and maintenance for each equipment shall be submitted along with commercial bid (as optional price).

The price for the supply of materials and equipment, from local sources, shall be quoted on ***"delivery at site"*** basis (if applicable). It will include all expenses for transportation, handling, storage, payment of local and state taxes surcharge, levies, sales tax, insurance and any other expenses related to procurement and delivery of such materials and equipment.

The charges, incurred in Pakistan, for opening of irrevocable Letter of Credit (L/C) for making payments for imported equipment shall be borne by OGDCL. This will not include the letter(s) of credit, which the Contractor shall establish for making payments to its vendors and sub-contractors. All other charges including the expenses to be incurred for the confirmation of the letter(s) of credit, if required, by the Contractor, shall be on Contractor's account.

## 24.0 **PAYMENT TERMS**

The payment for the foreign currency component of Bid Price shall be made in USD by OGDCL through irrevocable Letter of Credits (L/C) established through a bank of OGDCL's choice. Payments shall be subject to any deduction of applicable tax(s) as per tax clause 28.0-

Letter of Credit (L/C) shall be established in accordance with the requirements of State Bank of Pakistan, customs authorities and other concerned governmental organizations. The terms & conditions of L/C are given in **Attachment-1&2** of Condition of Contract for local and foreign currency component respectively.

Payments for local currency component (if applicable) of Bid Price shall be made in PKR through Inland L/C. All Payments shall be subject to deduction of all applicable tax (s) including withholding tax/sales tax etc as per relevant laws/regulations.

All payments shall be made according to payment terms, milestones and invoicing procedure, which are described in detail in the Conditions of Contract.

### 24.1 **Advance Payment**

Advance shall be paid to the CONTRACTOR on submission of Advance Payment Guarantees separately for foreign currency and local currency components as per format given in (Appendix – J) and bank guarantee to be only issued by any of the bank listed in (Appendix-K). The Advance payment shall be equivalent to ten percent (10%) of the Foreign Currency component & ten percent (10%) for the local currency component and shall be paid by OGDCL to CONTRACTOR as advance separately for foreign currency component through letter of credit (L/C) and local currency component through Inland L/C.

No advance shall be paid before the submission of Advance Bank Guarantee required as per relevant clause of Conditions of Contract. 10% Advance bank Guarantee shall be valid upto one hundred twenty (120) days after issuance of Taking Over Certificate.

The payment schedule for various components of the Contract Price is outlined below:

**24.2 a) Foreign Supply Payments Milestones**

The payment of foreign supply currency component of the contract price shall be made through the L/C subject to deduction of applicable taxes as per Tax Clause 28, on the following milestones:

<b>Milestone No.</b>	<b>DESCRIPTION OF MILESTONES</b>	<b>% of foreign currency component</b>
1	Advance Payment against Advance Payment Guarantee	10%
2	Vendor acknowledgment for acceptance of purchase order(s): (Note - 1)	10%
3	Shipment of Material & Equipment: (Note - 2)	50%
4	Inspection and Acceptance of material and equipment at site (Note - 3)	10%
5	After successful completion of performance test on submission of Taking Over Certificate	10%
6	Final payment, 30 days after successful completion of Reliability Guarantee Test (RGT)	10%

**Notes:**

1. Payment shall be made upon submitting un-priced copies of purchase order (s) against presentation of following documents by the CONTRACTOR:
  - a. Acknowledgment by vendors/suppliers for acceptance of respective Purchase Orders.
  - b. Submission of Technical catalogue/literature comprising of O&M Manuals of Equipment/ Packages essentially including Parts Catalogs/ manuals.
2. Payments shall be made upon shipment of materials and equipment against presentation of below given documents by CONTRACTOR;
  - Original clean onboard ocean vessel Master bills of lading/ Airway bill
  - Commercial Invoice
  - Insurance declaration.
  - Certificate of origin Certificate
  - Packing list, measurement and weight (gross/net)
  - Applicable Inspection/quality certificates

- Third Party Inspection (Bidder to provide Certificates from any one of the following approved TPIs).
  - ✓ M/s SGS Pakistan (Private) Limited
  - ✓ M/s Bureau Veritas Pakistan (Pvt) Ltd,
  - ✓ M/s TUV Austria Bureau of Inspection & Certification (Pvt.) Ltd.
  - ✓ M/s TÜV Rheinland Arabia LLC
  - ✓ M/s Velosi,

The documents will accompany a certificate of the CONTRACTOR stating that the shipment of materials and equipment in question has passed applicable tests and is strictly in accordance with the requirements and specifications of the Contract & are Brand New of latest version.

3. Payments shall be made upon Inspection and Acceptance of materials and equipment at Project Site against presentation of following documents by the CONTRACTOR:

- One (1) original (manually signed) and four (4) copies of the CONTRACTOR's Commercial Invoice and
- OGDCL's certificate that the materials and equipment has been inspected and accepted at Project Site.

Third party inspection payment shall be made after Inspection and Acceptance of material and equipment at site.

In order to be entitled to payment for any particular milestone all previous milestones must have been achieved.

**b) Foreign Services Payments Milestones**

The payment of foreign services currency component of the contract price shall be made through the L/C subject to deduction of applicable taxes as per Tax Clause 28, on the following milestones:

1. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor as advance. The Advance shall be paid to the Contractor on submission of Advance



Payment Guarantee of equivalent amount. Bank guarantee to be only issued by any of the bank listed in (Appendix-K).

2. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor after Vetting and endorsement of Basic Design for Compressor Packages, their suction & discharge headers, piping and associated tie in points for all required services & facilities.
3. Twenty Five Percent (25%) of the LC amount shall be paid by OGDCL to Contractor after completion of Detailed Design Engineering (Includes submission of deliverables as per Section-III EPCC Scope of Work, clause 14.0).
4. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor after performing design review meetings.
5. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor after conduction of HAZOP study for compressors packages.
6. Fifteen Percent (15%) of the LC amount shall be paid by OGDCL to Contractor after performing Shop Witness Test & on shop training of OGDCL's engineers, as per provision of the Contract.
7. Ten Percent (10%) of the foreign currency services component of the Contract Price shall be paid after successful completion of performance test on submission of Taking-Over Certificate.
8. Final payment of Ten Percent (10%) of the foreign currency services component of the Contract Price shall be paid, 30 days after successful completion of Reliability Guarantee Test (RGT).

In order to be entitled to payment for any particular milestone all previous milestones must have been achieved.

#### **24.3 a) Local Supply Payments Milestones**

The payment for local supply of equipment & packages shall be made by OGDCL to Contractor through Inland L/C subject to deduction of applicable taxes as per Tax Clause 28, as per following schedule:

1. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor as advance. The Advance shall be paid to the Contractor on submission of Advance Payment Guarantee of equivalent amount. Bank guarantee to be only issued by any of the bank listed in (Appendix-K).

2. Ten percent (10%) shall be paid on placement of Purchase Order(s) by Contractor for equipment & packages evidenced by submitting copy of purchase order duly acknowledged by the Supplier and Contractor's invoice duly verified by OGDCL.
3. For equipment & packages requiring shop inspection / test witnessing:
  - 3.1 Twenty percent (20%) shall be paid on satisfactory shop inspection of equipment & packages by OGDCL after submission of Contractor invoice duly verified by OGDCL & Consultant.
  - 3.2 Further, Forty percent (40%) shall be paid on delivery/Inspection of equipment & packages at Project site after submission of Contractor invoice duly verified by OGDCL & Consultant.
4. For equipment / materials not requiring shop inspection / witnessed testing, Sixty percent (60%) shall be paid on delivery/Inspection of equipment & packages at project site after submission of Contractor invoice duly verified by OGDCL & Consultant.
5. Ten Percent (10%) shall be paid after successful completion of performance test on submission of Taking-Over Certificate.
6. Final payment of Ten Percent (10%) shall be paid, 30 days after successful completion of Reliability Guarantee Test (RGT).

In order to be entitled to payment for any particular milestone all previous milestones must have been achieved.

**b) Local Services Payments Milestones**

The payment for local service shall be made by OGDCL to Contractor through Inland L/C subject to deduction of applicable taxes as per Tax Clause 28, as per following schedule:

1. A mobilization advance equivalent to ten (10%) percent of Contract price shall be paid by OGDCL to Contractor against mobilization Advance Payment Guarantee for an equivalent amount as per format given in Appendix-J. Bank guarantee to be only issued by any of the bank listed in (Appendix-K). The amount of mobilization advance shall be deducted proportionately from Contractor invoices.
2. Five Percent (05%) of the LC amount shall be paid by OGDCL to Contractor after completion of Detailed Design Engineering (includes submission of deliverables as per Section-III EPCC Scope of Work, clause 14.0).

Payment for detailed design engineering shall be paid in accordance with the valuation/completion of engineering work.

The valuation shall be done on the basis of the documents received by OGDCL/Consultant. For this purpose the CONTRACTOR within two (2) weeks of the Contract award shall submit a list of major engineering documents. Each document shall be assigned a weightage in proportion of its size and complexity.

3. Two Percent (02%) of the LC amount shall be paid by OGDCL to Contractor after conduction of HAZOP study for the systems outside compressor packages.
4. Three Percent (03%) of the LC amount shall be paid by OGDCL to Contractor On submission of all documents and drawings including vendors' manual and catalogues (where required).
5. Forty Percent (40%) of the LC amount shall be paid by OGDCL to Contractor for completion of Construction, Fabrication, Installation, Erection, Hook-up and Pre-Commissioning.

Payment for Construction, Fabrication, Installation, Erection, Hook-up and pre-commissioning shall be made on actual progress achieved. The OGDCL shall make progress payments to the Contractor on monthly basis in accordance with the valuation of Work done as determined according to the weight factors for the respective items.

For determining the percent progress of a specific Work unit each specific Work unit shall be divided into Work steps/ activities and each of this step/ activity shall be given an appropriate weight factor as mentioned in Appendix-L1 ("sample" for Bidder's understanding for activity breakups and it must be made specific to Nashpa Compression Project lumpsum works activities and logical weightages distributions).

The overall weight factors of various components of Works Contract are presented in Appendix – L. Activities under each component of Works Contract and their weight factors alongwith their basis shall be submitted by the Bidder with the technical bid proposal for the approval of the OGDCL.

The Contractor shall submit at Site a daily Work report in four copies, specifying the quantities of each category of Work on standard format to be designed by CONTRACTOR and agreed by OGDCL. OGDCL's representative shall verify these quantities and sign the Work report returning a copy of the same to the Contractor on daily basis. Monthly Work valuation shall be done on the basis of the quantities verified by the OGDCL's Site representative on daily Work reports.

For determining the value of Work for payment the Contractor shall measure and determine the monthly progress of actual Work done in accordance with the Contract. The OGDCL's representative shall ascertain the progress reported by the Contractor and accordingly issue a Work certificate. If measurement of any part of the Work is required, the OGDCL representative shall issue a notice to the Contractor who shall forthwith assist the OGDCL's representative or his nominee in making such measurements and shall furnish all particulars required. The measurement determined by the OGDCL's representative or his nominee shall be taken to be the final measurement of the Work, for valuation purpose.

6. Ten Percent (10%) of the LC amount shall be paid by OGDCL to Contractor for project management control, administration and general services (including inspection) Payment for project management control, administration and general services (including inspection) shall be paid after completion of project management work.
7. Fifteen Percent (15%) of the LC amount shall be paid by OGDCL to Contractor after successful completion of Performance Test.

Payment shall be made on submission of Taking-Over Certificate in accordance with the requirements/specifications/details included in the Contract.

8. Five Percent (05%) of the LC amount shall be paid by OGDCL to Contractor upon successful completion of Site Training of OGDCL's engineers, on submission of Contractors Invoice duly verified by OGDCL & Consultant.
9. Final payment of Ten Percent (10%) shall be paid, 30 days after successful completion of Reliability Guarantee Test (RGT).

In order to be entitled to payment for any particular milestone all previous milestones must have been achieved.

**24.4 Invoicing Payment Procedure**

For progress payment of engineering & project management, and work on a day in each month, to be agreed between the OGDCL's representative and the Contractor's representative the Contractor shall in respect of all amount owing to him submit an invoice along with relevant supporting documents, in three copies, to the OGDCL's Consultant & after verification/ signing of Consultant, will submit it to OGDCL SCM Deptt.

The Payment of undisputed / clean invoices (complete in all respect) shall be released to the Contractor with in forty five (45) days from the receipt of invoices by OGDCL H/O for negotiation under LC.

**25.0 INSPECTION OF SITE**

25.1 The Contractor shall also be deemed to have inspected and examined the Project Site and its surroundings/ working culture and information available in connection therewith and to have satisfied himself, before submitting his Tender, as to the form and nature thereof, the extent and nature of work and materials necessary for the completion of the Project, the means of access to the Site and in general, shall be deemed to have obtained all necessary information, subject as above mentioned, as to risks, contingencies and all other circumstances which may influence or affect his Tender.

25.2 Any neglect or failure on the part of the Contractor in obtaining the necessary information mentioned in Sub-Article 25.1 of this Article hereinabove or any other matter affecting the Contract, shall not relieve the Contractor from any risks or liabilities or from the responsibility for the completion of the Works in strict accordance with the Contract Documents. In no case will OGDCL/Engineering Consultant assume responsibility nor any liability of any kind what so ever for lack of any such information as is mentioned in Sub-Article 25.1 of this hereof.

**26.0 CONTRACTOR'S SUPERINTENDENCE**

26.1 The Contractor shall give or provide all necessary superintendence during engineering, procurement, construction, pre-commissioning, commissioning, performance testing and startup works and as long thereafter as OGDCL may

consider necessary for the proper fulfilling of the Contractor's obligation under the Contract.

- 26.2 The Contractor shall fully comply to Quality Assurance Quality Control & Safety Procedures, stipulated in the Contract Document and Safety Policy/Procedures of OGDCL.
- 26.3 The Contractor authorized representative, approved of in writing by OGDCL shall be constantly on the Project and shall give his whole time to the superintendence of the same.
- 26.4 Such authorized representative shall receive on behalf of the Contractor, directions and instructions from OGDCL/Engineering Consultant.

**27.0 DISRUPTION OF PROGRESS**

- 27.1 The Contractor shall give written notice to OGDCL/Engineering Consultant whenever planning or progress of the Works is likely to be delayed or disrupted unless any further drawing or order, including a direction, instruction or approval, is issued by Engineering Consultant within a reasonable time. The notice shall include details of the drawing or order required and of why and by when it is required and of any delay or disruption likely to be suffered if it is late.

**28.0 TAXES**

- 28.1 All taxes on the income or payments to the contractor arising, accruing or resulting under the contract, whether present or future, assessed or payable inside or outside Pakistan shall be the exclusive responsibility of the contractor or its sub-contractor(s). Company, in order to discharge its responsibilities as withholding agent shall withhold income tax from the payments to the contractor within the contract value at the rates applicable at the time of payments.
- 28.2 Sales tax on goods as well as services is applicable in Pakistan under federal/provincial sales tax laws. The contractor being registered with respective federal/provincial revenue authority of Pakistan is entitled to charge applicable sales tax over and above its bid price and will be responsible for the payment of such sales tax to the respective revenue authority as per the prevailing federal/provincial sales tax laws. OGDCL being the withholding agent shall withhold sales tax from the

contractor (whether registered or unregistered) , as per respective sales tax withholding rules.

Any indirect tax including value added tax, sales tax etc. present or future, applicable outside Pakistan shall be exclusive responsibility of the Contractor.

- 28.3 The Contractor shall be responsible for income tax and all other taxes levied on the Contractor's and its sub-contractor's expatriate personnel, their social security obligations and contributions regardless of whether such contributions are levied on employer or employee or both in Pakistan or outside Pakistan.
- 28.4 The Contractor shall keep OGDCL informed of the steps taken by it to discharge the tax obligations under the Contract and provide supporting documents whenever required by the OGDCL.
- 28.5 The Contractor shall indemnify OGDCL against any claim which might occur due to non-compliance by Contractor of any legal obligation regarding taxes, duties, fees, levies, or other charges, including taxes on income and sales tax in Pakistan and any other payments due to the Federal or Provincial Governments, their agencies or any other relevant authority.
- 28.6 DELETED
- 28.7 All clearing and brokerage charges incurred shall be to the account of CONTRACTOR.
- 28.8 CONTRACTOR agrees not to sell, transfer or dispose any of its machinery, equipment, spare parts or material imported under this contract within the country without prior written approval from COMPANY and without payment of taxes (including custom duties etc) due to the Government.
- 28.9 CONTRACTOR is responsible to settle all COMPANY obligations or guarantees with the customs authorities and to clear COMPANY of all such responsibilities.
- 28.10 CONTRACTOR is responsible to obtain all customs approvals and other documentations. COMPANY will endeavor to assist CONTRACTOR in obtaining such approvals and documentation.
- 28.11 The above clauses relating to payment of taxes would prevail notwithstanding a contrary expression reflected in any other clause of the contract.

**29.0 LIQUIDATED DAMAGES (FOR DELAY)**

- a) If the Contractor fails to complete the engineering, procurement (supply), construction, precommissioning, commissioning, start-up and performance testing of Nashpa Compression Facility Project within the time period of Twelve (12) 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.

**30.0 CHANGE ORDERS**

- 30.1 Subject to the provisions of Article 31.0 hereof OGDCL shall have the power to order the Contractor at any time when necessary, prior to the completion of the Project to make variations to the Work as outlined below:
- a) Require supply of additional equipment/material, items or carryout additional/extra work, which may be required for the Project.
  - b) Change the character or quality or kind of equipment/material, item or Work, or
  - c) Omit any equipment/material, item or work,

No such variation shall in any way validate or invalidate the Contract but the value (if any) of all such variations shall be taken into account in ascertaining the amount of



the Contract Price and shall be calculated and paid to or deducted from the Contractor as per the prices given in Price Schedule, Schedule of Prices/Rates for additional supply/work or on cost plus handling/services charges @ 5% of the value of item/work.

- 30.2 Any such request by OGDCL for variations, changes or additions to the Scope of Work shall be submitted to Contractor in writing, signed by OGDCL's Representative in the form of a written change request.
- 30.3 When Contractor has received any written change request from OGDCL, which may involve a change in the Contract Price, Contractor shall, as soon as possible and before proceeding with the changes, advise OGDCL in writing to that effect, and obtain OGDCL approval.

The price and program effects, if any occasioned by any such changes, shall be added to or deducted from the Contract Compensation as the case may be. The amount of such difference shall be determined in accordance with the prices/rates given in Price Schedule, Schedule of Prices/Rates for additional supply/work or on cost plus handling/service charges @ 5%. In case of cost plus basis all the required details shall be provided to OGDCL/Engineering Consultant so that the price reasonableness can be determined.

- 30.4 In all cases Contractor shall furnish a breakdown in sufficient details to permit an analysis of all equipment/materials, labor, equipment, subcontracts and the estimated project time schedule overruns and under-runs covering all elements resulting in a change in the Contract Price or Project Execution Schedule.
- 30.5 Any changes or alterations ordered by OGDCL shall not in any way vitiate or invalidate the obligations of Contractor under the Contract, unless expressly stated in the Change Orders.
- 30.6 After OGDCL has accepted all the consequences resulting from a change request, a Change Order shall be signed by both OGDCL & Contractor.
- 30.7 Contractor shall make no additions, changes, alterations, omissions, perform no additional/extra work nor supply additional/extra equipment/materials of any kind, except when a prior approval of OGDCL/ Consultant in form of a Change Order has been obtained.

- 30.8 All additional payments for supply of equipment/material, required work or services under the provisions of this Article shall be embodied in a Change Order upon conditions specified therein which shall be signed by OGDCL and Contractor, and such Change Orders shall be deemed to form part of the Contract and subject to all terms and conditions therein, unless otherwise clearly exempted in Change Order.
- 30.9 Contractor shall proceed with additional/extra supply or work or changes after a Change Order has been signed. Until that time Contractor shall proceed with the original work unless instructed by OGDCL/Engineering Consultant to stop such work, which may be affected by the change request.
- 30.10 Change requests may also be initiated by Contractor in which case it shall follow the same procedure as mentioned above after having been approved by OGDCL/Consultant.
- 30.11 Notwithstanding the content of any Change Order by OGDCL the Contractor shall use his best endeavors to complete the Project by the Completion date provided that if the Contractor should by reason of such Change Order be unable to complete the Project by the Completion date he shall give notice in writing to OGDCL/Engineering Consultant.

**31.0 CONTRACT AMENDMENTS**

- 31.1 Change Orders may be carried out by the Contractor without an amendment to the Contract provided that the cumulative value of all Change Orders made hereof do not exceed 10% of the Contract Price. Before any work shall be performed under a Change Order the effect of which is that the cumulative value of all Change Orders made hereof would exceed 10% of the Contract Price OGDCL and the Contractor shall sign an amendment to the Contract.

**32.0 DISCLOSURE**

Contractor hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practices.

Without limiting the generality of the foregoing, Contractor represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

Contractor certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

Contractor accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, Contractor agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by Contractor as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

**33.0 WORKS TO BE MEASURED**

OGDCL/Engineering Consultant shall, except as otherwise stated, ascertain and determine by measurement the value in terms of the Contract of work done in accordance with the Contract. He shall, when he requires any part or parts of the works to be measured, give notice to the Contractor's authorized agent or representative, who shall forthwith attend or send a qualified agent to assist OGDCL/Engineering Consultant or their representatives in making such measurement, and shall furnish all particulars required by either of them. Should the Contractor not attend, or neglect or omit to send such agent, then the measurement made by OGDCL/Engineering Consultant or approved by him shall be taken to be the correct measurement of the work. For the purpose of measuring such permanent work as is to be measured by records and drawings OGDCL/Engineering Consultant or their representatives shall prepare records and drawings month by month of such work and the Contractor, as and when called upon to do so in writing, shall, within fourteen days, attend to examine and agree such records and drawings with OGDCL/Engineering Consultant or their representatives and shall sign the same when so agreed. (Refer Appendix-L)

**34.0 STORAGE AND HANDLING FACILITIES**

- 34.1 The Contractor shall be responsible for handling and storage of all equipment and material at Project Site at his risk and cost. The Contractor shall also be responsible for maintaining a proper warehouse at Project Site by employing a storekeeper to keep upto date record of the equipment/material issued & consumed. The Contractor will have to submit a complete material balance/audit report after completion of the job.
- 34.2 The Contractor shall protect all equipment/materials against corrosion, mechanical damage or deterioration during storage according to nature of material and erection at

Project Site. The protection shall be to the approval of OGDCL/Engineering Consultant.

- 34.3 Motors, valves, instruments, etc., shall be stored indoors in a Warehouse provided by Contractor. Motor windings shall be kept dry by either the use of external heat, or energizing of the strip heaters in the motors.
- 34.4 Bearings and other machined wearing surfaces of machinery shall be protected against corrosion, and shall be kept clean.
- 34.5 Structural steel, miscellaneous steel, grating walkways, plate-work, cable trays, etc., shall be kept painted throughout the storage and erection period to prohibit rusting unless such items are galvanized or have other corrosion proof finish.
- 34.6 Thermal insulation if used for the project shall be stored indoors, or otherwise protected against getting wet.
- 34.7 The Contractor shall always exercise due care and pre-caution and follow acceptable practices during loading/un-loading, handling, transportation/shifting and installation of equipment and material.

### **35.0 UTILITIES FOR CONSTRUCTION**

The Utilities i.e. electric power, water, air etc. necessary for the entire construction/installation/erection works will be arranged by the Contractor. All expenditure and costs thereof shall be to the Contractor's account.

All electrical equipment, i.e. Generators, Welding Sets, Compressors, Drill Machines, Grinders, etc., alongwith gadget/appliances cut-out, panel board, etc., shall be arranged by the Contractor at his own cost and shall get the same approved from OGDCL/Engineering Consultant.

### **36.0 PAYMENT OF FEES**

The Contractor shall obtain and pay for all permits, licenses or other privileges necessary in relation to the execution of the Work and abide by the rules and regulations of all public bodies and companies whose property or rights are affected

or may be affected in any way by the Work. Certificates of which shall be delivered to OGDCL and will become the property of OGDCL.

**37.0 WATCHING AND LIGHTING**

- 37.1 The Contractor shall in connection with the Work provide and maintain at his own cost all lights, guards, fencing and watching when and where necessary or required by OGDCL/Engineering Consultant or their representatives, or by any duly constituted authority, for the protection of the temporary/permanent Work, or for the safety and convenience of others.
- 37.2 The Contractor shall review with OGDCL/Engineering Consultant its programme for Project Site security and lighting for the Work. The standard of lighting shall conform to industrial lighting standard of Pakistan as prescribed by law to OGDCL's/Engineering Consultant's review and approval of the Contractor's programme by OGDCL/Engineering Consultant will be for coordination purposes and does not relieve the Contractor of its responsibility for security and lighting.

**38.0 CARE OF FINISHED WORKS**

- 38.1 The Contractor shall at all times during the performance of the works be fully responsible for the care of the Work and of all Temporary Work.
- 38.2 The Contractor shall effectively protect his work from action of weather and from injury or defacement, and shall cover finished parts where required for their thorough protection. Finished work shall be left perfectly clean and free from defects.
- 38.3 The Contractor and/or his Sub-Contractors who are installing or erecting equipment, material, etc., shall be responsible for protecting work. Heavy planking shall be used when moving any cable and other buried structures. Metal rollers shall not be permitted.
- 38.4 In the event of Phased Completion, the Contractor shall be responsible for the due care of those parts of the works not completed and shall where required provide fencing, security, separate access, additional lighting, so that the parts of the works completed may be used for the purposes for which they were designed without inconvenience to that use and the performance of the remaining works may be completed without undue interference.

- 38.5 During the progress of the Work the Contractor shall keep the Site reasonably free from all unnecessary obstruction and shall store or dispose of any Constructional Material and other materials and clear away and remove from the Site any wreckage, rubbish or Temporary Work no longer required. House-Keeping will be done on daily basis & unnecessary material, parts & debris will be removed from site

### **39.0 WITNESS TESTING & INSPECTION**

- 39.1 At all stages of the Work, including, supply, construction and pre-commissioning, the Contractor shall perform, any and all review, inspection and tests in accordance with the standard, regulations, the applicable laws and requirements specified in the Contract. The proof of these inspections & tests in the form of certificates shall be provided to OGDCL/Engineering Consultant. OGDCL/Engineering Consultant shall be entitled to witness, collect evidence and report with respect to all and any such review, inspection and tests. The arrangement & costs of all such review, inspections and test, including those performed in any offices, workshops facility and worksites shall be borne by the Contractor and are included in the Contract price.
- 39.2 OGDCL/Engineering Consultant will participate in test conducted at manufacturer's works. For test and inspection conducted at the premises of the manufacturer's works all reasonable facilities and assistance (including access to drawings and production data apart from workshop drawings and data and according to VDL (Vendor Drawing List) to be mutually agreed upon production data) shall be furnished to the inspectors at no charge to OGDCL. The participation/presence for acceptance of such test by OGDCL/Engineering Consultant shall not relieve the Contractor from its obligations liabilities under the Contract.
- 39.3 Should any inspected or tested equipment, material fails to conform to the Specifications, the OGDCL/Engineering Consultant may reject them and the Supplier shall at its discretion, following best industrial practices, either replace the rejected equipment/material and installation work or make all alterations necessary to meet specification requirements free of cost to OGDCL.
- 39.4 The OGDCL shall be informed three (03) weeks in advance regarding the test date. If any acceptance test or acceptance procedure (if applicable) cannot take place due to reasons beyond Contractor's control and attributable to the OGDCL, then such acceptance test/procedure shall be performed in the absence of OGDCL's

representative not later than ten days from the date of notification of Supplier of its readiness for such tests or acceptance procedures. If the results are within the specification, the test shall be deemed to have been successfully performed.

39.5 Nothing in Clause 39.0 shall in any way release the Contractor from any warranty, obligations or liabilities under this contract.

39.6 The Contractor shall arrange to carry out a pre-shipment inspection of the supplies through approved third party inspection agency. The CVs of the professionals of the TPIs to be assigned for inspection shall be shared in advance with OGDCL.

The scope of the pre-shipment inspection shall include;

- Review the detailed listing of the material & equipment being shipped by the supplier and other relevant documents.
- Match the details given in the supplier's list with other relevant documents.
- Physical inspection of material & equipment being shipped to verify its condition and conformity with the supplier's list & other relevant documents.
- Witness the loading and seal the container.

For detail terms of reference (TOR), refer **Appendix-M**

39.7 OGDCL/Engineering Consultant and any person authorized by him shall at all times have access to project site and all workshops facilities and places where project work is being carried out for purposes of expediting and inspection and the Contractor shall afford every facility for and every assistance in or in obtaining the right to such access.

39.8 OGDCL/Engineering Consultant reserves the right to inspect performance of the work of the Contractor at project site and workshop faculties and places where project works is being carried out to ensure conformity with the Contract Documents. The Contractor shall promptly rectify all such deficiencies or defects that are brought to the Contractor's knowledge by Notice of OGDCL/Engineering Consultant. OGDCL's/Engineering Consultant's inspection herein shall not relieve the Contractor of any of its obligations under the Contract.

39.9 The Contractor shall regularly keep OGDCL/Engineering Consultant fully informed of the progress of construction and the supply of equipment & materials by furnishing to OGDCL/Engineering Consultant Monthly Schedules so as to permit OGDCL's/



Engineering Consultant's inspection to be carried out in such manner as to minimize interference with the progress of the Work.

**40.0 REJECTION AND INTERIM OPERATION**

- 40.1 If the completed Project or any portion thereof, fails to fulfill the requirements of the Contract, OGDCL shall give the Contractor written notice setting-forth particulars of such defects or alter the work to make it OGDCL with the requirements of the Contract. Should he fail to do so within a reasonable time, OGDCL may at his option replace at the Contractor's expense the whole or any portion of the work, which is defective or fail to fulfill the requirements set-forth in the Contract. Such replacement shall be carried out by OGDCL within a reasonable time and a reasonable price and where possible to the same specifications. The Contractor's full liability under this Paragraph shall be satisfied by the payment to OGDCL of the original Contract price including the difference if any, between the replacement price of equipment and materials including charges for transportation, installation and testing, and the original Contract Price including the same defective equipment, materials, and charges.
- 40.2 In the event of such rejection, during the period when the necessary replacement equipment is being obtained or repairs or alterations are being made, OGDCL shall have the right to operate any and all equipment as soon as and as long as it is in operating condition, whether or not such equipment has been accepted as complete and satisfactory, except that this shall not be construed to permit operation of any equipment which may become damaged by such operation before any required replacements, repairs and/or alterations have been made. All replacements, repairs, or alterations required of the Contractor shall be made by the Contractor at such time as directed by OGDCL and in such a manner as will cause the minimum interruption in the use of the equipment by OGDCL. Should OGDCL under his option not replace the rejected equipment within a reasonable time, the Contractor's full responsibility under this paragraph shall be satisfied by the repayment of all moneys paid by OGDCL to him in respect of said equipment.
- 40.3 Immediately after the replacement of the defective equipment the Contractor shall remove the said defective equipment from the site without cost to OGDCL.
- 40.4 Nothing in this paragraph shall be deemed to deprive OGDCL of or affect any rights under this Contract which he may otherwise have in respect of such defects or

deficiencies, or in any way relieve the Contractor of his obligations under the Contract.

**41.0 EXAMINATION OF WORK BEFORE COVERING-UP**

No work shall be covered-up or put out of view without the approval of OGDCL/Engineering Consultant or their representatives and the Contractor shall afford full opportunity for OGDCL's/Engineering Consultant's representative to examine and measure any work which is about to be covered-up or put out of view. The Contractor shall give due notice to OGDCL's/Engineering Consultant's representative whenever any such work is or are ready or about to be ready for examination and OGDCL's/Engineering Consultant's representative shall, without unreasonable delay, unless he considers it unnecessary and advises the Contractor accordingly, attend for the purpose of examining and measuring such work or of examining such work.

**42.0 ERECTION AND CHECKING AT SITE**

- 42.1 The Contractor shall submit to OGDCL/Engineering Consultant in due time for approval and discussion his proposals and plans as to the method and procedure to be adopted for the erection of the equipment and particulars of constructional equipment and temporary works involved.
- 42.2 The submitting of these suggestions and arrangements, and the approval thereof by OGDCL/Engineering Consultant or his Representatives shall not relieve the Contractor of his responsibilities and duties under the Contract.
- 42.3 The Contractor's representative on the site or his nominated deputy is to be given full responsibility to enter into negotiations regarding points arising from erection.
- 42.4 The carrying out of all work included in the Contract is to be supervised by a sufficient number of qualified representatives of the Contractor and full facilities and assistance are to be afforded by the Contractor for Engineering Consultant or his representative to check the execution of the Work.
- 42.5 OGDCL/Engineering Consultant reserves the right to inspect all parts of equipment in the works and/or site, but may at his discretion waive inspection on certain items, but he shall, in no way, absolve the Contractor from his responsibilities. This particularly applies to the checking of materials, the accurate setting out of foundations, the

plumbing of all stanchions and columns and to the leveling, setting and aligning of the various parts, and to the fitting and adjusting of bearings and other parts.

- 42.6 The Contractor may be required to work on weekly & gazetted holidays without any extra compensation. The Contractor may also be required to work on overtime or in two shifts depending on the workload without any extra compensation or obligation to OGDCL.
- 42.7 No claim by the Contractor in terms of extra cost or compensation would be entertained due to temporary stoppages in the flow of work and subsequent idle labour & machine hours caused by observance of safety & security regulations.
- 42.8 In the event of night working, the Contractor shall provide sufficient lighting and shall supply the necessary labor for the continuation of the work after normal hours.
- 42.9 The Contractor, witnessed by OGDCL/Engineering Consultant or it's representative, shall check the civil works and the electrical and mechanical connections to all equipment supplied under the Contract before such equipment is brought into commission and shall be responsible for the correctness of such connections in accordance with Engineering Consultant's drawings and the Specifications.

**43.0 COMPLETENESS OF ERECTION/INSTALLATION WORK**

- 43.1 It is the intent of the technical specifications to provide for the erection, installation and testing of the equipment and material specifically noted, shown, or called for. The omission of specific reference to any item of work that is reasonably necessary for the proper functioning of the Compression Facility and allied facilities will not relieve the Contractor of the responsibility to furnish all equipment, materials, transportation and/or labor required for a complete installation and erection work, satisfactory to OGDCL/ Engineering Consultant.
- 43.2 The technical specifications are presumed correct, but complete accuracy is not guaranteed. Any error or ambiguity must be reported to Engineering Consultant before starting the work affected. In the event of any dispute arising as to the true intended meaning of a technical specification, Engineering Consultant shall interpret the same and his interpretation shall be accepted as final and binding upon all parties concerned.

**44.0 QUALITY OF MATERIALS & WORKMANSHIP AND TESTS**

- 44.1 All equipment/materials and workmanship shall be of the respective kinds described in the Contract and in accordance with OGDCL's/Engineering Consultant's instructions and shall be subject from time to time to such tests as OGDCL/Engineering Consultant may direct at the place of manufacture or fabrication, or at Project Site or at such other place or places as may be specified in the Contract, or at all or any of such places.
- 44.2 The Contractor shall provide inspection and testing equipment, instruments, machines, labor and material as are normally required for examining, measuring and testing any works and for execution of various quality control tasks, mechanical, destructive, non-destructive tests, etc., as may be selected and required by OGDCL/Engineering Consultant. The quality control tasks shall be performed by the Contractor's competent personnel in accordance with a site testing and quality control programme to be established by the Contractor and approved by OGDCL/Engineering Consultant or their representatives.
- 44.3 The Contractor shall keep a complete record of all quality tests performed on site.
- 44.4 Hydrostatic tests on site shall generally be carried out on all the pipelines, piping & equipments work in the plant.
- 44.5 All quality controls and tests shall be carried out in accordance with applicable standards and codes.
- 44.6 The Contractor shall carry out all necessary surveying work to ensure that the position and elevation of all works erected or constructed by him are correct. The measuring methods and devices used must meet the standard of accuracy required for this purpose. All the surveying work must be based on a geodetic grid established with adequate accuracy with levels and positions continuously checked and supplemented.
- 44.7 The cost of all tests provided in the Contract shall be borne by the Contractor.

**45.0 WARRANTIES**

- 45.1 The Contractor warrants that the equipment supplied under the Contract shall be brand new, having good title and fit for the use intended. The Contractor further

warrants that:

- a) Equipment & materials supplied against the Contract conforms in all respects with the specifications and requirements contained in contract document.
- b) Equipment supplied under this Contract shall be of good quality and free from all defects arising from design, materials or workmanship.
- c) Equipment & Material supplies shall be new made of latest version while their spares from respective OEM shall be continuous atleast for next fifteen (15) years. In this regard, OEMs' affidavit are required to be submitted as confirmation.

45.2 The Contractor shall provide to OGDCL required process guarantees/warranties (i.e. original manufacturer's warranty) of the equipment supplied by it from vendors and manufacturers. The guarantees/warranties shall be obtained in the name of OGDCL.

45.3 The Contractor warrants that the construction/installation, erection and other work shall be good quality, free from fault or defect and shall perform so as to comply with the specifications contained in the contract documents or with any revisions thereof pursuant to any changes. The Contractor further warrants that all work performed under the Contract shall be in accordance with industry's recognized codes and standards.

45.4 The foregoing warranties shall remain valid for a period of twelve (12) months from the date of Taking Over Certificate.

45.5 If the supplied equipment/materials, construction, installation/erection and related work fail to meet the warranty conditions set forth in Sub-Articles 45.1 & 45.3 OGDCL shall promptly notify the Contractor in writing about the defects and claims under the warranty. Upon receipt of such notice the Contractor shall within the time specified by OGDCL repair/replace the defective equipment, material and or portion of works, with no cost or expense to OGDCL. The repaired or replaced equipment, material or works shall be warranted by Contractor for twelve (12) months from the date of repair(s) or replacement(s).

If the Contractor having been notified, fails to remedy the defect(s) within the specified time, OGDCL shall proceed to take remedial actions as may be necessary, at the Contractor's risk and cost. All costs thereof shall be charged to the Contractor or recovered from performance bond. The Contractor shall have no objection to the above and he hereby acknowledges the rights of OGDCL to recover such sums as a

debt due to OGDCL from defaulting Contractor. It is understood that in this case the Contractor shall not be relieved from the provided warranties and contractual obligations.

- 45.6 The Contractor shall also provide warranties of original manufacturers where applicable.

**46.0 PERFORMANCE GUARANTEE**

- 46.1 The Contractor shall guarantee satisfactory performance of the Compression Facility so that the compression facilities meets the performance requirements laid-down in the Technical Specifications and respective data sheets. The Contractor shall also provide and prove during commissioning the performance parameters of all major equipment of the Compression Facility and its associated systems
- 46.2 Prior to Performance Test, the Contractor will have to operate the Compression Facility for continuous five (05) days in a steady state (unit wise operation will be considered for steady state). Any tripping continued more than two (02) hours shall be considered as unsteady state operation of the compression package and accordingly Contractor has to perform another five (05) days steady state operation for that particular compressor package. The Compression Facility shall be evaluated over a seventy two (72) hours continuous Acceptance Test for each individual compressor on rated compression scenarios i.e. 200 psig suction and turndown over which the process conditions shall be required to be met.
- 46.3 If the Compression Facility and its associated systems do not achieve satisfactory performance or otherwise adhere to the requirements outlined in the Contract, the Contractor shall promptly analyze the cause of failure. The Contractor shall take all necessary corrective measures in a prompt manner to ensure such that the Compression Facility gives satisfactory performance
- 46.4 If the Compression Facility and its associated systems still fail to give satisfactory performance or otherwise adhere to the requirements outlined in the Contract, in a subsequent Performance Test the date of which will be mutually agreed then Contractor shall determine the cause of this failure and advice changes/modifications or addition. OGDCL/Engineering Consultant can also independently determine the cause of such failure. The Contractor shall be liable to bear all expenses of the design, purchase, delivery and installation of such changes, modifications or additions. The liability of such additions, modifications shall be un-limited.

- 46.5 If after all such additions/modifications the Compression Facility and its associated systems still fail to meet performance in a final test to be demonstrated within three (3) months of the agreement to changes to be made to the Compression Facility, the Contractor shall pay to OGDCL as liquidated damages an amount equal to ten percent (10%) of the Contract Value.
- 46.6 Performance test shall be carried out on fuel gas. However, considering the raw gas, EPCC Contractor shall ensure that the compressor packages are designed in such a manner that safe and trouble free operation shall be carried out taking into account high ambient temperature and rated power.
- 46.7 In the event of malfunction or failure of the Compression Facility to meet the performance test, the Performance Guarantee shall be further extended for a period of twelve (12) months.

**47.0 NEGLIGENCE AND DEFAULT**

- 47.1 If the Contractor neglects to execute the Works expeditiously, within the required time and with due diligence, or refuses or neglects to comply with any reasonable orders given to him in writing by OGDCL/Engineering Consultant in connection with the Works or refuses to abide by the provisions of the Contract, OGDCL/Engineering Consultant shall give notice to him in writing calling upon him to make good the failure, neglect or refused cited at its own cost.
- 47.2 Should the Contractor fail to comply with such notice within three (3) days after receipt of same, OGDCL shall be at liberty to take the Works wholly, or in part out of the Contractor's hand and carry out the Works either by himself or through his agents, or at his option may re-contract at a reasonable price with any other persons to execute the Works or any part thereof and provide any other equipment, materials, tools, tackle or labour for the purpose of completing the Contract without any liability or obligation towards the Contractor.
- 47.3 In such event OGDCL shall, without being responsible to the Contractor for normal wear and tear or the same, being entitled to seize and take possession and have free use of all equipment, materials, tools, tackle or other items which may be on the site,

for use in connection with execution of such work, to the exclusion of any right of the Contractor over the same.

- 47.4 OGDCL shall be entitled to retain and apply balance which may otherwise be then due to the Contractor under the Contract, or such part thereof as may be necessary, to the payment of the cost of execution of such aforesaid work.
- 47.5 If the cost of executing the aforesaid work exceeds the balance due to the Contractor and the Contractor fails to make good the deficit, said equipment, materials tools, tackle, or other property of the Contractor as may not have been used in completion of the work, may be sold by OGDCL and the proceeds applied towards the payment to such difference and the cost incidental to such sale, a surplus balance existing after crediting the proceeds of such sale shall be paid to the Contractor and the remaining unsold items, if any, shall be removed by the Contractor. If the proceeds of the above sale of the Contractor equipment, materials, tools, tackle and other items are insufficient to cover the cost of executing the aforesaid work, the balance remaining after crediting the proceeds of such sale shall be recoverable from the Contractor as per the remedies available to OGDCL under this Contract and any other applicable law.



**48.0 DELAYS IN THE CONTRACTOR'S PERFORMANCE**

- 48.1 Completion of engineering, procurement (supply), construction, pre-commissioning, commissioning, performance testing, Reliability Guarantee Test and startup of Nashpa Compression Facility Project shall be made by the Contractor in accordance with the stipulated completion time specified in the Contract.
- 48.2 An unexcused delay by the Contractor in performance of the Contract including delivery of equipment/material being supplied and timely completion of the Project shall render the Contractor liable to any or all of the following sanctions:
- Forfeiture of its performance bond (guarantee)
  - Imposition of liquidated damages
  - Termination of contract for default
  - Any other remedies available and action to be taken by OGDCL as per the terms of this Contract and applicable law.
  - Black Listing for future supply/work in OGDCL

**49.0 DEFAULT OF CONTRACTOR IN COMPLIANCE**

In case of default on the part of the Contractor in carrying out such order, OGDCL shall be entitled to employ and pay other persons to carry out the same and all expenses consequent thereon or incidental thereto shall be recoverable from the Contractor by OGDCL, or may be deducted by OGDCL from any monies due or which may become due to the Contractor.

**50.0 DAMAGE TO PERSONS AND PROPERTY**

The Contractor shall, indemnify OGDCL against all losses and claims in respect of injuries or damage to any person or material or physical damage to any property whatsoever which may arise out of or in consequence of the execution of the Work under the Contract and against all claims, proceedings, damages, costs, charges and expenses whatsoever in respect of or in relation thereto.

The Contractor shall indemnify OGDCL against all losses, claims and demand made by any third party/persons arising out in performance of its obligations under this

Contract whether such claims, demands and actions are made while this Contract is in force or at any time after its execution or termination.

The Contractor shall be responsible for similar indemnify for any sub contractors performing work under this directions.

**51.0 ACCIDENT OR INJURY TO WORKMEN**

The Contractor shall indemnify and nor OGDCL shall be liable for or in respect of any damages or compensation payable at law in respect or in consequence of any accident or injury to any workman or other person in the employment of the Contractor or any Sub-Contractor. The Contractor shall indemnify and keep indemnified OGDCL against all such damages and compensation, and against all claims, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

**52.0 INSURANCE & LIABILITIES**

52.1 After execution of contract, the contractor will procure following insurance policies as soon as possible preferably before execution of work or supply of material. Such time for procurement of policies should however not exceed thirty (30) days from execution of contract.

- Construction All Risk Physical Damage/Erection All Risk Insurance Policy
- Third Party Liability Insurance Policy, AND
- Employee/ Workmen Compensation Policy

Such insurances shall be evidenced by standard insurance policies in form and substance satisfactory to OGDCL, **Construction/Erection All Risk Insurance and related Third Party Liability Insurance policies shall be procured from National Insurance Company Limited (NICL)**. A copy of each of the policies will be endorsed to OGDCL by the insurer. Each policy shall name OGDCL as the insured. The Contractor shall cause all such insurances to be maintained in full force and effect till commissioning and handover of the Project to OGDCL.

**52.1.1 Construction/Erection All Risk Insurance Policy**

The Contractor shall procure, from **National Insurance Company Limited (NICL)**, and maintain a construction (erection) all risk insurance policy including sabotage and terrorism for sum assured value of not less than contract value. The policy will cover all physical loss or damage caused or done to permanent and temporary works completed or in progress, construction, commissioning and performance testing phases of work with extended coverage for Contractor's own equipment/material and

Company supplied equipment / material stored at the Site / Contractor's warehouse and OGDCL's existing facilities.

**52.1.2 Third Party Liability Insurance Policy**

The Contractor shall procure, from **National Insurance Company Limited (NICL)**, and maintain Third Party Liability Insurance Policy for sum insured **not less than Rs.300/- Million (may be revised in line with circumstance of the surrounding of work place)** to cover any claim(s) arisen on account of death, injury and /or disease to persons (other than employees of the Contractor), or loss or damage to any other party/ property out of/ in connection with/in the course of performance of the Contract.

**52.1.3 Employee/Workmen Compensation Policy**

Employees/workmen compensation policy, according to applicable laws, covering liabilities arising out of injury or death to Contractor or its Sub-Contractor's employees out of or in connection with the performance of contract.

**53.0 ENGAGEMENT OF LABOR**

The Contractor shall make his own arrangements for the engagement of all labor, transport, meals, camping / accommodation etc. and payment thereof.

**54.0 FESTIVALS & RELIGIOUS CUSTOMS**

The Contractor shall in all dealings with labor in his employment have due regard to all recognized festivals, days of rest and religious or other customs.

**55.0 DISORDERLY CONDUCT, ETC.**

The Contractor shall at all times take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst his employees and for the preservation of peace and protection of persons and property in the neighborhood of the Work against the same.

**56.0 SPARE PARTS**

The Contractor shall submit in the Bid OEM recommended list of spare parts on OEM Letterhead along with manufacturer's address required during two years of operation for the equipment/material supplied by it. The Contractor should ensure an arrangement whereby the spare parts inventory/backup facilities for the equipment is maintained for minimum period of fifteen (15) years. In the event of termination of

production of spare parts an advance notification should be given to OGDCL giving sufficient time enabling it to procure the required spare parts and following such termination, furnishing at no cost to OGDCL, the blue prints, drawings and specifications of the spare parts.

**57.0 DELETED****58.0 REMOVAL OF IMPROPER WORK & MATERIALS**

OGDCL/Engineering Consultant shall during the progress of the Work have power to order in writing from time to time:

- a) the removal from the Project Site, within such time or times as may be specified in the order, of any materials which, in the opinion of OGDCL/Engineering Consultant, are not in accordance with the Contract
- b) the substitution of proper and suitable materials and
- c) the removal and proper re-execution of any work which in respect of materials or workmanship is not, in the opinion of OGDCL/Engineering Consultant, in accordance with the Contract.

**59.0 REMOVAL OF CONSTRUCTIONAL EQUIPMENT, ETC.**

Upon completion of the Works the Contractor shall remove from the Site all the said Constructional Plant and Temporary Work remaining thereon and any unused materials provided by the Contractor.

OGDCL shall not at any time liable for the loss or damage to any of the said construction plant and temporary works or materials.

**60.0 CLEARANCE OF SITE ON COMPLETION**

On the completion of the Project the Contractor shall clear away and remove from the Site all Constructional Plant, surplus materials, rubbish and Temporary Work of every kind, and leave the whole of the Site and Work clean and in a workmen like condition at its own cost.

**61.0 MECHANICAL COMPLETION, INSPECTION & TESTING**

- 61.1 All equipment and material installed and erected under this Contract including vendor supplied special equipment e.g. compressors and pumps, etc., shall be subject to test or inspection in accordance with relevant clauses of the Specifications. For the vendor supplied special equipment Contractor will make arrangements for checking, testing and commissioning.
- 61.2 After completion of erection and/or installation, and before being put into operation, the plant and all its appurtenances, piping, valves and all other mechanical and electrical equipment and materials shall be thoroughly cleaned and then inspected under the supervision of OGDCL/Engineering Consultant for correctness and completeness of installation and acceptability for placing in operation.
- 61.3 The time consumed in the inspection and checking of the units shall be considered as a part of the erection and installation period which is included in the completion period of Project.
- 61.4 The Contractor shall arrange for necessary inspection and testing of the works performed by the Contractor upon its installation thereof in accordance with the Tender Documents.
- 61.5 The Contractor shall maintain adequate record of all tests carried out and their results thereof and make the same available to OGDCL/Engineering Consultant. The Contractor shall remedy promptly any defects or deficiencies, which appear as a result of such inspection and tests, on his supply and workmanship entirely at his own cost and responsibility.
- 61.6 Contractor shall prepare the piping and allied facilities for operation which will include but not limited to the following tests:
- Cleaning of all lines and equipment of loose material by flushing or blowing and performing any other cleaning as may be required.
  - Clean-out and boxing-up of all pressure vessels including installation of internals such as filter elements, etc.
  - Hydrostatic, pneumatic and other field testing (weld radiography, coat and wrap, quality, etc.) of the equipment as required.

- Alignment, lubrication and running tests of compressors/drives and operational tests of all types of valves.
- Color & color coding of piping & equipment according to service.

**62.0 MECHANICAL ACCEPTANCE**

62.1 The Contractor shall prepare project for operation, which will include but not be limited to the following:

- a) Hydrostatic, testing of piping, equipment, etc. as required in the Contract Documents.
- b) Running tests of drivers, compressors and operational tests of all types of valves, etc.
- c) Circulation of lubricating and seal oil in compressors.
- d) Radiography of all piping.
- e) Stress relieving of all piping where applicable/required as per API Code.
- f) Short duration operations with air on all compressors in accordance with Vendor's instructions.
- g) After hot operation, rechecking the alignment and, if necessary, re-aligning all rotaries (with drivers) and hot checking the drivers related to compressors.
- h) Cleaning all lines of loose materials by flushing or blowing and performance of any other special cleaning as may be required in these specifications.
- i) Placement of all blinds in position for operation.
- j) Installation of orifice plates after hydrostatic tests.
- k) Installation of relief valves
- l) Thermo-couple connection and checking out.
- m) Cleaning out and boxing-up of all exchangers and pressure vessels.
- n) Preparation to meet safety requirements.

- 62.2 The Contractor shall also be required to complete and thoroughly clean-up the operating facilities which shall include all painting, removal of all temporary works and general site clean-up in accordance with the Contract.
- 62.3 Pursuant to the mechanical completion of the work, the Contractor shall, in the presence of OGDCL's/Engineering Consultant's representatives, provide services to successfully complete the operability tests to establish that the facilities are in proper operating conditions and free from leaks, defects and deficiencies.
- 62.4 Prior to introduction of "First Gas" into the system the Contractor shall carry out a leak test, at a pressure to be specified by OGDCL/ Consultant. This test shall ensure mechanical integrity of the Compression Facility. It shall be responsibility of Contractor to provide nitrogen for leak testing. The Contractor shall provide other necessary tools, equipment and manpower, necessary for such testing. After the test, nitrogen shall be left in the system, at a pressure slightly higher than the atmosphere until the gas is introduced.

**63.0 STARTUP & COMMISSIONING**

- 63.1 The Contractor shall be responsible for carrying out tests and startup & commissioning of the Compression Facility.

**64.0 ACCEPTANCE CERTIFICATES**

**64.1 Mechanical Acceptance Certificate**

When whole Plant has been erected with all discipline of works completed & have satisfactorily passed the mechanical completion, inspection & testing and mechanical acceptance as that prescribed in Articles 61.0 & 62.0 of the conditions, the Contractor may request OGDCL to issue mechanical acceptance certificate. The format of Mechanical Acceptance Certificate is enclosed in **Attachment-3**.

**64.2 Provisional Acceptance Certificate**

When all the equipment have been commissioned and construction equipment have been removed as per Article 59.0 of the Conditions of Contract, the Contractor may request OGDCL to issue Provisional Acceptance Certificate. The format of Provisional Acceptance Certificate is enclosed in **Attachment-4**.

**64.3 Final Acceptance Certificate**

Subject to Article 45.0, when the facilities have remained in operation for twelve (12) months from the date of Take Over Certificate the Contractor may request OGDCL to issue Final Acceptance Certificate. The format of Final Acceptance Certificate is enclosed in **Attachment-5**.

**64.4 Acceptance Certificate of Reliability Guarantee Test (RGT)**

Subject to Article 12.4.4.3 of Section-III (Scope of Work), when the Reliability Guarantee Test (RGT) of the Compression Facility has successfully completed a continuous period of 30 days with a maximum of four (04) shutdowns of major components of Compression Facility lasting not more than twelve (12) hours. The Contractor may request OGDCL to issue Acceptance Certificate of RGT. The format of Acceptance Certificate of RGT is enclosed in **Attachment-9**.

**65.0 TAKING OVER CERTIFICATE**

On completion of Performance Test of the Compression Facility, the Contractor may inform OGDCL that the Compression Facility is ready to takeover and request to issue the taking over certificate. If OGDCL is satisfied that performance tests have been successfully completed by Contractor, the guaranteed performance achieved or else liquidated damages recovered as prescribed in the Contract and the Plant has been operated smoothly during the Performance Test period. OGDCL may issue the taking over certificate.

**66.0 COMPLETION CERTIFICATE**

The Contract shall not be considered as completed until final acceptance certificate has been issued by OGDCL to the Contractor.

**67.0 TITLE**

Title of equipment and facilities furnished by Contractor or its Sub-Contractors under the Contract shall pass to OGDCL on the date of Final Acceptance Certificate.

**68.0 WITHHOLDING PAYMENT**

68.1 OGDCL may withhold the whole or part of any payment claimed by the Contractor, which in the opinion of OGDCL is necessary to protect himself from loss on account of:

- 1) Defective equipment and material not replaced/repaired or remedied.



- 2) Warranties/Guarantees not met.
- 3) Claims filed against Contractor.
- 4) Failure of Contractor to make payments due for materials or labour employed by him.
- 5) Damages to other Contractor (if any).
- 6) Contractor's non-compliance with the provisions of the Contract.

68.2 When the conditions for withholding the payment are removed, payments of the amount due to the Contractor will be made by OGDCL without delay.

#### **69.0 FINAL PAYMENT DOCUMENTS**

The Contractor shall execute and deliver to OGDCL the following documents before receiving payment of final milestone of ten percent (10%) of local and foreign currency component:

- a) Provisional Acceptance Certificate
- b) Taking Over Certificate
- c) Acceptance of Reliability Guarantee Test (RGT).

Whereas, following documents shall be submitted after the completion of Defect Liability Period:

- a) Final Acceptance Certificate.
- b) Certificate of Completion.
- c) Undertaking.
- d) Certificate of Compliance.

Blank forms of these are given in Attachment– 5, 6, 7 & 8 respectively.

#### **70.0 LIENS**

The Contractor for himself and for any persons directly or indirectly responsible to him, and for his or their material equipment and employees, and for all other persons performing any labour or furnishing any labour or materials for any of the work covered by his contracts, will be required to release or waive, to the full extent permitted by law, all liens, for or on account of the work done or equipment and materials furnished hereunder, and the improvement or structures wherein some may

be incorporated, and the land to which they are appurtenant shall at all times and clear of all such liens.

**71.0 SUSPENSION OF WORK**

- 71.1 The Contractor shall, on the written order of OGDCL/ Consultant, suspend the progress of the engineering, procurement (supply), construction and commissioning works or any part thereof for such time or times and in such manner as OGDCL may consider necessary and shall during such suspension properly protect and secure the Works, so far as is necessary in the opinion of OGDCL.
- 71.2 The Contractor shall not be entitled for any extra cost for such suspension upto a maximum period of sixty (60) days. This period may be in one or more suspensions.
- 71.3 In case the suspension period exceeds sixty (60) days, then the Contractor may claim, if he gives notice in writing of his intention to OGDCL within seven (7) days of expiry of sixty (60) days suspension period. The Contractor can claim the cost of his permanent employees and hired equipment only employed on the Project. Charges for daily paid workers and Contractors own equipment will not be paid. OGDCL/ Consultant will verify the claims for payments to be made to the Contractor in this respect.

**72.0 TERMINATION OF DEFAULT**

- 72.1 OGDCL shall have the right to terminate the Contract if the Contractor.
- a) Does not mobilize and/or commence execution of the Contract/Order within the agreed date(s).
  - b) Stops work during the execution of the Contract/Order.
  - c) Fails to supply sufficient and/or adequate construction equipment, temporary works, labour, materials or satisfactory performance and delays in the progress of work.
  - d) Becomes bankrupt or insolvent.
  - e) Has judiciary liquidation filled by/or against him, and the Contractor does not have the right to continue his industrial activities.
  - f) Fails to fulfill any of his obligations as defined in the Contract Documents.

- 72.2 OGDCL shall have the right to notify deadline to be met by the Contractor. Should the Contractor not reply within 7 days to the above notification, or in case that the reply is not found satisfactory, OGDCL would be entitled to terminate this Contract & encash the Performance Bank Guarantee. OGDCL shall then give notice of termination, and thereupon, OGDCL shall have the right to take over the performance of the Works, take possession of the engineering drawings and data and all materials and stocks located at the Site, and to complete the Works in any manner OGDCL deems fit, and to use of cause to be used for that purpose the temporary works and equipment of Contractor located at the Project Site.
- 72.3 In the event of such termination, after all works, services, deliveries, etc., effected by Contractor under this Contract have been stated and recorded, OGDCL will be entitled to withhold any further payments due to Contractor under this Contract. At the time of termination, OGDCL and Contractor shall determine by mutual agreement the amount, if any, of damages suffered by OGDCL, and the amount to which Contractor is entitled for his performance of the work upto the date of such termination.
- 72.4 Termination of the Contract shall not relieve Contractor of any of its obligations to make repairs and replacements with respect to any workmanship, material, equipment, part or item incorporated in the Works prior to such termination, nor shall termination relieve Contractor of any its obligations under any other provision of the Contract with respect to the Works performed by Contractor prior to such termination.
- 72.5 The defaulting Contractor shall also be liable for all costs and expenses incurred, including those of cleaning the site and removal of Contractor's equipment and material if required by OGDCL, because of the default and, the Contractor shall fully indemnify OGDCL.

**73.0 TERMINATION FOR CONVENIENCE**

- 73.1 OGDCL may, by written notice to the Contractor, terminate the Contract, in whole or in part, at any time at its convenience. The action of termination shall specify that the termination is for the convenience of OGDCL, the extent to which performance of Works under the Contract is terminated, and the date upon which such termination becomes effective.

73.2 The Works and equipment/material that are complete and ready for delivery within 15 days after receipt of notice of termination by the Contractor, shall be accepted by OGDCL, at the Contract terms and prices. For the remaining works/equipment & material OGDCL may elect:

- i) to have any portion completed or delivered at the Contract terms and prices; and/or
- ii) to cancel the remainder and pay to the Contractor an agreed amount for partially completed works and for materials previously procured by the Contractor, which will become property of OGDCL.

**74.0 FORCE MAJEURE**

74.1 Force Majeure" shall mean an unforeseeable event that impairs the ability of the Party affected by it to wholly or partially perform its obligations under this Contract. In the event of either party hereto being rendered unable, wholly or in part, by Force Majeure circumstances to carry out its obligations under this Contract, then such party by giving notice with satisfactory evidence of such Force Majeure circumstance(s) relied upon, the obligations of the party giving such notice so far as they are affected by such Force Majeure shall be suspended for the period during which the party, is rendered unable as aforesaid, but for no longer period. However, such notice must be given within seven (07) days of occurrence of Force Majeure event. The terms Force Majeure as employed herein, shall include but not be limited to acts of God or war, war whether declared or undeclared; acts of terrorism or sabotage, or public enemy; riots and insurrection; civil commotion; revolution; embargo, blockade, invasion or act of foreign enemies; epidemic; landslide, lightening, earthquake, loss of well, reservoir failure, change of law or policy; or any other cause beyond the control of the affected Party which materially and adversely affects the performance by such Party of its obligations under or pursuant to this Contract, other than to make payments due hereunder, acts of enemies, civil insurrection, fires, floods, earthquakes or other physical disasters, order or request of Government, blockade or embargo. It is however, clarified that strikes, lockouts, shortage or non availability of raw materials, rains disturbances, other labour disputes or non availability of transport shall not be included in the term "Force Majeure". During the established period of Force Majeure as contained hereinabove, the Contractor shall not be entitled to payment for Services and the OGDCL shall not impose penalty.

- 74.2 In case the Force Majeure contingencies last continuously for more than fifteen days, both parties will agree on the necessary arrangements for the further implementation of the Contract. In case further implementation is unforeseeable and impossible, both parties shall arrange for the termination of the Contract, but without prejudice to their rights and obligations prior to such termination it being understood that each party shall fulfill their contractual obligations so far as they have fallen due before the operation of Force Majeure.
- 74.3 In case of Force Majeure no idle time claim will be paid by OGDCL to the Contractor for what so ever reason.

## **75.0 ARBITRATION**

- 75.1 If any dispute or difference of any kind whatsoever shall arise between OGDCL and the Contractor in connection with, or arising out of the Contract, or the execution of the works, whether during the progress of the works or after their completion and whether before or after the termination, abandonment or breach of the Contract, it shall, in the first place, be referred to and settled by OGDCL who shall, give written notice of his decision to the Contractor. Subject to arbitration, as hereinafter provided, such decision in respect of every matter so referred shall be final and binding upon the Contractor and shall forthwith be given effect to by the Contractor, who shall proceed with the execution of the Works with all due diligence whether he requires arbitration, as hereinafter provided, or not. If OGDCL has given written notice of his decision to the Contractor and no claim to arbitration has been communicated to him by the Contractor within a period of thirty days from receipt of such notice, the said decision shall remain final and binding upon the Contractor. If OGDCL fails to give notice of his decision, as aforesaid, within a period of thirty days after being requested as aforesaid, or if the Contractor be dissatisfied with any such decision, then and in any such case or within thirty days after the expiration of the first-named period of thirty days, as the case may be require that the matter or matters in dispute be referred to arbitration as hereinafter provided.
- 75.2 All disputes or differences in respect of which the decision, if any, of OGDCL has not become final and binding as aforesaid shall be finally referred to two Arbitrators, one to be appointed by each party or in the event of the Arbitrators not agreeing to an umpire to be appointed by Arbitrators before entering upon the reference, who shall proceed to arbitrate in accordance with the provisions of the Pakistan Arbitration Act

1940 and rules hereunder any statutory amendment in that behalf for the time being in force and the award made by the Arbitrators or the umpire as the case be, shall be final and binding on both the parties Arbitration proceeding shall be conducted in the English Language.

- 75.3 Contractor shall continue to execute his work with full speed during the pending of the Arbitration proceedings. However, OGDCL shall have the power to order the Contractor in writing to stop the work in full or in part if considered necessary.

**76.0 JURISDICTION**

The venue of Arbitration proceedings shall be Islamabad, Arbitration shall be governed under Arbitration Act. 1940. Expenses of Arbitration shall be borne equally by the parties.

The Agreement and any interpretation and construction thereof including Arbitration proceedings shall be subject to and governed by the laws of Pakistan.

**77.0 SERVICE OF NOTICES TO CONTRACTOR**

All certificates, notices or written orders to be given by OGDCL or by Engineering Consultant to the Contractor under the terms of the Contract shall be served by sending by post to or delivering the same to the Contractor's principal place of business, or such other address as the Contractor shall nominate for this purpose.

The Address and contact details of Contractor are;

\_\_\_\_\_  
\_\_\_\_\_

**78.0 SERVICE OF NOTICES TO OGDCL/ENGINEERING CONSULTANT**

All notices to be given to OGDCL or to Engineering Consultant under the terms of the Contract shall be served by sending by post or delivering the same to the respective addresses nominated for that purpose.

The Address and contact details of OGDCL are;

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**79.0 EFFECTIVE DATE OF CONTRACT**

79.1 This Contract shall become effective upon the date after formal execution of the Contract by the duly authorized representatives of OGDCL and Contractor provided that all of the following conditions have been fulfilled:

- a) The submission of the Performance Bond by the Contractor to OGDCL.
- b) The payment of the Mobilization Advance by OGDCL to Contractor, the same to be secured by the Mobilization Advance Payment Guarantee(s) to be simultaneously furnished by Contractor to OGDCL pursuant to Article 4 of Form of Contract.
- c) The confirmation, by Contractor to OGDCL, in form and substance satisfactory to OGDCL, that Contractor has put into force and effect such of the policies of insurance specified in Article 52.0 of Conditions of Contract.
- d) Effective time of Project:

Twelve (12) Months project completion time line shall start from the Foreign component L/C establishment date without any exception and irrespective of Article 79.1 b & c

79.2 After conditions specified in Article 79.1 have been fulfilled and OGDCL gives written advice to Contractor to proceed ahead with the Work the Contractor shall diligently commence execution of the Work forthwith and shall proceed with the same with due expedition and without delay in accordance with the terms of this Contract.

**80.0 APPLICABLE LAW**

80.1 This Contract or any amendment thereto shall be construed, interpreted and governed by the Laws of Islamic Republic of Pakistan.

80.2 Applicable laws mean all laws, treaties, regulations, standards, decrees, rules, decisions, judgments, order, injunction, authorizations, directives, permits, licenses or authorizations applicable to the performance of the Works in accordance with the

Contract and issued by or adopted by an Governmental Authority having jurisdiction over the matter in question and which are in effect at the time in question and, for the avoidance of doubt, includes compliance with the requirements of the Environmental Impact Assessment, environmental laws, regulations, codes, standards, etc. and policies of the Federal Government, Provincial Governments and Local Bodies of Pakistan.