



DIRECTORATE GENERAL OF HYDROCARBONS
(Ministry of Petroleum & Natural Gas)
OIDB Bhawan, Plot No. 2, Sector 73, Noida-201301, India.

INVITATION FOR BID (IFB) - INTERNATIONAL COMPETITIVE BIDDING (ICB)

The Directorate General of Hydrocarbons (DGH) is a body established by the Government of India under the administrative control of Ministry of Petroleum & Natural Gas. Objectives of DGH are to promote sound management of the oil and natural gas resources having a balanced regard for environment, safety, technological and economic aspects of the petroleum activity.

In India, the oil and gas Exploration and Production (E&P) activities are being carried out under Production Sharing Contract (PSC) regime. PSC prescribes adoption of Good International Petroleum Industry Practices (GIPIP) in carrying out petroleum operations efficiently, safely and in an environmentally sustainable fashion. A need is felt to identify areas requiring codification of GIPIP and suggest specific guidelines in conformance with the best international practices/norms and applicable standards/legislations and prevalent regulatory regime. Such a study should cover all activities involved in the life cycle of any contract area starting from Exploration to Production to Site Restoration.

Production Sharing Contract also provides for site restoration after cessation of petroleum operations in onshore and offshore oil and gas fields in a manner agreed by Government. A need is felt to formulate specific guidelines for field abandonment and site restoration in offshore and onshore fields in conformance with the best international practices/norms and applicable standards/legislations and prevalent regulatory regime. These guidelines should help to establish transparent policies and Standard Operating Procedures (SOP) for abandonment and decommissioning of petroleum operational activities.

DGH invites bids from eligible bidders (see Annexure-II of tenders) for the following Services:

Sl. No	Tender No.	Description of Item	Cost of Bid Document	Bid Document available at web sites till	Bid submission Due Date & Time
1	DGH/MM/Hiring of Consultants/088/2014/ENQ/135	Consultancy for Study on Good International Practices in Petroleum Industry.	Rs.6,000 OrUS\$100	09.07.14	16.07.14 1400 Hrs
2	DGH/MM/Hiring of Consultants/088/2014/ENQ/136	Consultancy for Site Restoration Guidelines for Petroleum Operations	Rs.6,000 OrUS\$100	09.07.14	16.07.14 1400 Hrs

The detailed Bid Documents can be viewed / downloaded from DGH's web site www.dghindia.org or Government of India's Public Procurement Portal <http://eprocure.gov.in/cppp/>

Addendum/ Corrigendum / Bid Due Date Extensions, if any, to the Bid Documents shall be uploaded on aforementioned websites only. Hence, bidders shall view the said websites regularly.

**Directorate General of Hydrocarbons
(Ministry of Petroleum & Natural Gas)**

Phone No : (+91)-120-2472000
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Office of : Director General (DGH)
OIDB Bhawan, Tower A, Plot No. 2,
Sector – 73, NOIDA-201301, INDIA

FORWARDING LETTER FOR INVITATION TO BID

To,

Sub : Consultancy for Study on Good International Practices in Petroleum Industry

Sir/s,

The Directorate General of Hydrocarbons (DGH) hereby invites sealed tenders in duplicate for providing aforesaid services.

The salient features of the tender are:

1	Tender No.	:	DGH/MM/Hiring of Consultants/088/ 2014/ ENQ /135
2	Brief Description of the project	:	Consultancy for Study on Good International Practices in Petroleum Industry.
3	Type of Bid	:	International Open Tender under 2 Bid System (Techno-commercial Bid & Price Bid)
4	Document Download / Sale End Date	:	09 July 2014
5	Bid Closing Time & Date	:	1400 Hrs (IST) on 16 July 2014
6	Place of Submission	:	Directorate General of Hydrocarbons (DGH), OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301. India.
7	Bid Opening Time, Date & Place	:	Techno-commercial bid : 1500 Hrs. (IST) on the same day as Bid Closing as above, and at the same address as above. Price bid : Opening time and date shall be intimated to technically qualified bidders.
8	Bid validity	:	90 days from bid closing date.

9	Amount of Bid Bond (DD or original Bid Bond in the form of Bank Guarantee to be enclosed with the Techno-commercial Bid only)	:	US\$ 1,700.00 (for Foreign bidders) or Rs. 1 (One) Lakh (for Indian bidders) Bid Bond in the form of a Bank Guarantee to be valid for 45 days beyond the validity of the bids asked for in the Bid Documents.
10	Amount of Performance Guarantee to be submitted only by the Successful Bidder.	:	10% of the Contract value to be submitted within 21 days of the letter of Award (LoA). Bidders should ensure that the Performance Bank Guarantee should be valid for a period extending to 6 months beyond the expiry of the tenure of the contract.
11	Signing of Contract	:	Contract is to be signed within 30 days of date of issue of LOI.
12	Mobilization & Commencement of work	:	Successful bidder shall be required to mobilize manpower & other resources for commencement of services at the specified site within a maximum of 7 days from the date of LoA.
13	Time period for completion of work	:	Within 06 months from the Letter of Award (LoA).
14	Quantum of Liquidated damages for default in completion of the scope of work as per the contract.	:	At the rate of ½ % of the contract value per week or part thereof subject to a maximum of 10 % of the contract value for the period extending beyond the completion date.

Other details and terms/conditions are as per the following Annexures.

You are invited to submit your bid against the above tender.

Thanking you,

Yours faithfully

HOD (MM)

Encl: As above

For Directorate General of Hydrocarbons

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INSTRUCTIONS TO BIDDERS

A. INTRODUCTION

1.0 ELIGIBILITY AND EXPERIENCE OF THE BIDDER:- (Please refer to “Technical Rejection Criteria at **B.1** of Bid Evaluation Criteria under **Annexure-II**).

2.0 TENDER FEE

2.1 The offer will not be considered without tender fee. The Government Departments are exempted from payment of tender fee. The bidders downloading the Bid document from the website should ensure to submit “Tender Fee” along with the Techno-commercial Bid.

2.2 REFUND OF TENDER FEE

In the event a particular tender is cancelled, the tender fee will be refunded to the concerned Bidder.

3.0 TRANSFER OF BIDDING DOCUMENT

The Bidding document is not transferable.

4.0 COST OF BIDDING

The bidder shall be solely liable to bear all costs and expenses associated with the preparation and submission of its bid, and DGH will in no case be held responsible or liable for payment of any costs associated with the preparation or submission of the said bids irrespective of the outcome of the bidding process as also in case the entire bidding process or part thereof is nullified/ cancelled due to any reason whatsoever.

B. THE BIDDING DOCUMENT

5.0 CONTENT OF BIDDING DOCUMENTS

5.1 The services required, bidding procedures and contract terms are described in the bidding document. In addition to the Invitation for Bids, the bidding documents include:

ANNEXURE I	: Instructions to Bidders with following Appendices.
Appendix 1	: Bid submission proforma.
Appendix 2	: Bid Bond Bank Guarantee proforma.
Appendix 3	: Checklist.
Appendix 4	: Proforma for Bidders past services(similar).
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ANNEXURE IIIA : Model Contract & General Conditions of Contract (GCC) with following appendix

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5.2 The bidder is expected to examine all instructions, forms, terms and specifications in the bidding documents. Failure to furnish all information required by the bidding documents will be at the bidder's risk. Tenders not complying with tender conditions and not conforming to tender specifications will result in the rejection of its bid without seeking any clarifications.

6.0 AMENDMENT OF BID DOCUMENT

6.1 At any time prior to the deadline for submission of bids, DGH may at its own discretion and for any reason whatsoever whether at its own initiative or in response to a clarification requested by a bidder, modify the Bid Documents by the issuance of an Addendum.

6.2 The Addendum will be hoisted on DGH's / GoI's CPP website and all prospective bidders are advised to visit abovementioned website periodically till the bid closing day, to update themselves about modifications to the Bid , if any, in order to submit their offer accordingly.

6.3 In order to allow the bidders reasonable time to take the amendment into account in preparing their bids, the DGH may at its discretion, extend the deadline for the submission of Bids and any such extension will be conveyed to the bidders through DGH's website.

C. PREPARATION OF BIDS

7.0 LANGUAGE AND SIGNING OF BID

7.1 The bid prepared by the bidder and all correspondence and documents relating to the bid exchanged by the Bidder and the DGH shall be written in

English language. Supporting documents and printed literature furnished by the Bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in English, in which case, for purposes of interpretation of the bid, the translation shall prevail. However, the said translations should be certified by some official translator.

7.2 Bids shall be submitted in the prescribed bid proforma as per **appendices 1 to 9 of Annexure-I**. The prescribed proforma at Appendices of **Annexure I**, duly filled in and signed should be returned intact whether quoting for any item or not. When items are not being tendered for, the corresponding space should be defaced by some such words as "Not Quoting".

7.3 In the event of the space on the bid proforma being insufficient for the required purpose, additional pages may be added. Each such additional page must be numbered consecutively, showing the tender number and should be duly signed. In such cases reference to the additional page(s) must be made in the bid.

7.4 The bid proforma referred to above, if not returned or if returned but not duly filled in will be liable to result in rejection of the bid.

7.5 The Bidders are advised in their own interest to ensure that all the points brought out in the check list are complied with in their bid failing which the offer is liable to be rejected.

7.6 The bids can only be submitted in the name of the Bidder in whose name the bid documents were issued by DGH. The bid papers, duly filled in and complete in all respects shall be submitted together with requisite information and Annexures / Appendices. It shall be complete and free from ambiguity, change or interlineations.

7.7 The bidder should indicate at the time of quoting against this tender their full postal and telegraphic/telex /fax addresses and also similar information in respect of their authorized agents in India, if any.

7.8 The Bidder shall sign its bid with the exact name of the firm to whom the contract is to be issued. The bid shall be signed by a duly authorised officer and in the case of a Company, the same shall be sealed with the company seal or otherwise appropriately executed under seal.

7.9 The bidder shall clearly indicate their legal constitution and the person signing the bid shall state his capacity and also source of his ability to bind the Bidder.

7.10 The power of attorney or authorization, or any other document consisting of adequate proof of the ability of the signatory to bind the bidder, shall be annexed to the bid. Any bid not supported by adequate proof of the signatory's authority shall be rejected outrightly by DGH.

7.11 The Bidder, in each tender, will have to give a certificate in its offer, that the terms and conditions as laid down in this bidding document are acceptable to it in toto.

7.12 Any interlineations, erasures or overwriting shall be valid only if they are initialed by the person or persons signing the bid.

7.13 The original bid should be signed manually by the authorized signatory(ies) of the bidder.

7.14 The complete bid including the prices must be written by the bidders in indelible ink. Bids and/or prices written in pencil will be rejected.

7.15 Joint venture/ consortium bids:-

(a) In view of the complexity of nature of work involved as covered by the Bidding Documents, it is anticipated that some of the intending bidders may pool their resources and experiences to form Consortia/Joint Ventures. In their own interest, the bidders are advised to investigate the capabilities, availability of expertise and resources such as equipments, experienced personnel, financial soundness, past experience and concurrent engagements of constituting partners/members of the consortium/joint venture.

(b) In the event that the successful bidders is a joint venture formed of two or more companies, DGH requires that the parties to the joint venture accept joint and several liability for discharging all obligations under the Contract.

(c) The leader of the Consortium/Indian leader can submit bid on behalf of consortium of bidders. Memorandum of Understanding between the Consortium members duly signed by the Chief Executives of the consortium members must accompany the bid which should clearly define role/scope of work of each partner/member and should clearly define the leader of consortium. Memorandum of Understanding (MOU) must also state that all the members of consortium shall be jointly and severally responsible for discharging all obligations under the Contract. In case of award, such MOU shall be kept valid through the entire contract period, including extensions, if any. The following provisions should also be incorporated in the MOU executed by the members of the Consortium/Joint Venture :-

a) The leader of the consortium/joint venture on behalf of the consortium / joint venture shall coordinate with DGH during the period the bid is under evaluation as well as during the execution of works in the event contract is awarded and he shall also be responsible for resolving dispute/ misunderstanding/undefined activities, if any, amongst all the consortium/ joint venture members.

ii) Any correspondence exchanged with the leader of consortium/joint venture shall be binding on all the consortium/joint venture members.

iii) Payment shall be made by DGH only to the leader of the consortium/joint venture towards fulfillment of contract obligations. (If direct payment to each member is required for their part of scope of works, the same should be clearly indicated in the bid along with member-wise details of price break-up).

(d) The bid may be signed by all members of the Consortium/Joint Venture. Alternatively the leader may sign the bid. In such a case, the Power of Attorney from each member authorizing the leader for signing and submission of Bid on behalf of individual member must accompany the Bid offer. Other members of the consortium may participate in techno-contractual discussions and sign the minutes of such discussions/meetings along with the leader.

(e) Documents/details pertaining to qualification of bidder as per proforma of document attached with the bidding documents must be furnished by each partner/member of consortium/joint venture complete in all respects along with the bid clearly bringing up their experience especially in the form of work in their scope.

(f) **Constitution of Consortium :** If during evaluation of bid, a consortium leader proposes any alterations/changes in the constitution or replacement or inclusion or expulsion of any partner(s)/ member(s) of the consortium which had originally submitted the bid, to derive some advantages/benefits based on any development(s) having come to his knowledge at any time, the bid of such a consortium shall be liable for rejection unless such a change is agreed to by DGH in writing.

(g) **Signing of Contract :** In the event of award of contract to the consortium/joint venture, the contract may be signed by the leader and members of the consortium/joint venture and the liability of each one of them shall be joint and several. Alternatively the contract may be signed by an authorized officer of the consortium/joint venture on its behalf as well as on behalf of each and every member separately with a valid power of attorney from each member duly notarised and thereafter every member should countersign the contract in token of having confirmed the contract.

8.0 COMPLIANCE WITH THE REQUIREMENTS OF BID EVALUATION CRITERIA (BEC) AND ALL OTHER TENDER CONDITIONS:

8.1 Advice to bidders for avoiding rejection of their offers:

DGH has to finalize its purchase / contracts within a limited time schedule. Therefore, it may not be feasible for DGH to seek clarifications in respect of incomplete offers.

Prospective bidders are advised to ensure that their bids are complete in all respects and conform to DGH's terms, conditions and bid evaluation criteria of the tender. Bids not complying with DGH's requirement may be rejected without seeking any clarification.

9.0 DOCUMENTS COMPRISING THE BID

9.1 Techno-commercial Bid:

9.1.1 The bid prepared by the Bidder shall comprise the following components, duly completed:

- a) Proof of the sale / issue of bid documents or Requisite “Cost of Bid Document” in case of using downloaded Bid documents, as the case may be.
- b) The power of attorney or authorisation, or any other document consisting of adequate proof of the ability of the signatory to bind the bidder.
- c) All **Appendices 1 to 9** of Annexure –I duly filled in and signed
- d) Price Format. (**Annexure V**) (Without indicating Prices)
- e) Documentary evidence establishing that the Bidder is eligible to bid and is qualified to perform the contract if its bid is accepted. The documentary evidence of the Bidder's qualifications to perform the Contract if its bid is accepted, shall establish to the DGH's satisfaction :
 - (i) that the Bidder has the financial, technical and production capability necessary to perform the Contract.
 - (ii) that the Bidder meets *all* the criteria prescribed in the Bid Evaluation Criteria (**Annexure-II**).
- f) Documentary evidence that the goods and services to be supplied / rendered by the Bidder are eligible goods & services and conform to the requirements of bidding documents. The documentary evidence of conformity of the services to the bidding documents may be in the form of literature, drawings and data and shall consist of:
 - (i) A detailed description of essential technical and performance characteristics of the services.
 - (ii) An item by item commentary on the DGH's technical specifications demonstrating conformity to the provisions of the technical specifications of the bidding document.
- g) Bid security.
- h) Bid submitted by foreign Bidder shall include a detailed description of the relationship between the bidder and its Local Agent/ Consultant / representative/ retainer including specific services to be rendered, permanent income tax account number of agent/consultant/representative/retainer, permanent income tax account number of foreign bidder and amount of commission or other

payments. *If no such agent/consultant/representative/ retainer is involved, the same should be explicitly stated in the techno-commercial bid.*

i) The bidder should submit a declaration to the effect that neither the bidder themselves, nor any of its allied concerns, partners or associates or directors or proprietors involved in any capacity, are currently serving any banning orders issued by DGH debarring them from carrying on business dealings with DGH.

9.2 Price Bid

9.2.1 The Bidder shall complete the appropriate price schedule furnished in the bidding document, indicating the services to be provided.

10.0 BID PRICES

10.1.1 The bidders shall indicate on the appropriate price schedule the net unit prices (wherever applicable) .

10.1.2 Prices quoted by the bidder shall be firm during the bidder's performance of the contract and not subject to variation on any account.

10.1.3 Discount: Bidders are advised not to indicate any separate discount. Discount, if any, should be merged with the quoted prices. Discount of any type, indicated separately, will not be taken into account for evaluation purpose. However, in the event of such an offer, without considering discount, is found to be lowest, DGH shall avail such discount at the time of award of contract.

10.2 Concessions permissible under statutes

Bidder, while quoting against this tender, must take cognizance of all concessions permissible under the statutes including the benefit under Central Sales Tax Act, 1956, failing which it will have to bear extra cost where Bidder does not avail exemptions/ concessional rates of levies like customs duty, excise duty, VAT/sales tax, etc. DGH will not take responsibility towards this. However, DGH may provide necessary assistance, wherever possible, in this regard.

10.2.1 Bidders may take note there would be NO customs duty exemption available for business tendered with DGH.

10.3 Income Tax Liability

The bidder will have to bear all Income Tax liability both corporate and personal tax.

10.4 Service Tax Liability:

The bidder will have to bear all Service tax liability, as applicable except in case of services provided by Goods Transport Agency (GTA) and Services provided by a service provider from outside India not having a fixed establishment or

permanent address in India as prescribed under Service Tax Rules 1994 (amended from time to time)

The Bidder should quote the applicable Service Tax, clearly indicating the rate and the amount of Service Tax included in the bid and the classification of the respective service (as per Service Tax rules) under which the Service Tax is payable.

In the contracts involving multiple services or involving supply of certain goods / materials along with the services, the Bidder should give separate break-up for cost of goods and cost of various services, and accordingly quote Service Tax as applicable for the taxable services.

In case the applicability of Services Tax is not quoted explicitly in the offer by the Bidder, the offer will be considered as inclusive of all liabilities of Service Tax. DGH will not entertain any future claim in respect of Service Tax against such offers.

In case, the quoted information related to various taxes and duties subsequently proves wrong, incorrect or misleading:-

- a) DGH will have no liability to reimburse the difference in the duty / tax, if the finally assessed amount is on the higher side.
- b) DGH will have the right to recover the difference in case the rate of duty / tax finally assessed is on the lower side.

The service provider (other than the Service providers from outside India, who do not have any fixed establishment or permanent address in India) should have a valid registration with the concerned authorities of Service Tax department and a copy of such registration certificate should be submitted along with the offer. In case the registration certificate for the quoted category of service is not available at the time of submission of offer, an undertaking should be furnished for submission of copy of requisite service tax registration certificate along with the first invoice under the contract.

(i) Import of Services : As per Service Tax rules, for Services received by DGH in Indian Territory from a Service provider from outside India, who does not have any fixed establishment or permanent address in India, the liability to pay Service Tax lies with DGH. Therefore, such Bidder shall not include Service Tax in the quoted prices, but shall submit a declaration to the effect that they do not have any fixed establishment or permanent address in India. However, at the time of evaluation, Service Tax as applicable shall be loaded on the portion of services which attract Service Tax. In case the Bidder does not give break-up of the quoted prices, indicating the components of taxable services separately, the Service Tax will be loaded on entire quoted / Contract value for evaluation.

(ii) Service Tax on contracts for transportation of goods by road in a goods carriage (Applicable for Goods Transport where the contract is for transportation / logistics and not the service/ turnkey contracts where transportation is a part):
In this case, since the liability to pay Service Tax is on DGH as receiver of the service, the Bidder shall not include Service Tax in the quoted prices.

As the above statutory provisions are frequently reviewed by the Government, the bidders are advised to check the latest position in their own interest and DGH will not bear any responsibilities for incorrect assessment of statutory levies by any bidder

11.0 BID CURRENCIES

11.1 The Bidders are to quote firm prices. They may bid in any currency (including Indian Rupees). Payment will be made accordingly. However, the payment towards sales tax, if applicable (on the ultimate finished product) will be made by DGH in Indian Rupees as per actuals. For this purpose the amount of Sales tax paid as per the invoice signed by the officer duly authorized for the purpose will be taken into account. The freight and insurance elements must be quoted by Indian bidders in Indian Rupees only and payment will be made accordingly.

Currency once quoted will not be allowed to be changed.

12.0 MODE OF PAYMENT

In all cases, DGH shall make payments only through Electronic Payment mechanism (viz. NEFT/RTGS /ECS). Bidders should invariably provide the following particulars alongwith their offers:

1. Name & Complete Address of the Supplier / Contractor as per Bank records.
2. Name & Complete Address of the Bank with Branch details.
3. Type of Bank account (Current / Savings/Cash Credit).
4. Bank Account Number (indicate 'Core Bank Account Number', if any).
5. IFSC / NEFT Code (11 digit code) / MICR code, as applicable, alongwith a cancelled cheque leaf.
6. SWIFT Code (wherever applicable)
7. Permanent Account Number (PAN) under Income Tax Act;
8. TIN/Sales Tax Registration Number (for supply of Goods) and Service Tax Registration Number (for supply of Services), as applicable.
9. E-mail address of the vendor / authorized official (for receiving the updates on status of payments)."
10. Confirmation as to whether the bidder belong to the category of Micro, Small and Medium Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA)". If yes, specify the category of Micro, Small or Medium Enterprises and whether the enterprise is in manufacturing or service industry, along with valid documentary evidence.
11. Any other details as required by the remitting bank.

For receiving payment through NEFT / RTGS, the bank/branch in which the bidder is having account and intends to have the payment should be either an NEFT enabled bank or SBI branch with core banking facility.

12.1 Particulars to be furnished by foreign bidders (non-residents as per Income Tax Act, 1961):

Foreign bidders should invariably submit (alongwith their bid) the following particulars, which are required to be furnished by DGH to Income Tax Department for complying with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (as amended from time to time):

- (i) Whether the non-resident has a Fixed Place Permanent Establishment (PE) or a Dependant Agency PE in India, in terms of the Double Taxation Avoidance Agreement (DTAA) between India and his country of tax residence through which the non-resident carries on business activities in relation to its engagement by DGH and if, yes, address of the Fixed Place PE or name & address of the Dependant Agent?
- (ii) Whether by carrying on activities in relation to its engagement by DGH, the non-resident constitutes an Installation/Construction PE or a Service PE in India in terms of the DTAA between India and his country of tax residence?
- (iii) If the non-resident has PE in India, whether the remittances to be made to him under his engagement by DGH are attributable to such PE?
- (iv) If the remittances to be made to the non-resident under his engagement by DGH are attributable to a PE which it has in India, what quantum of the profits resulting to the non-resident from his engagement by DGH, can be said to be attributable to the role played by the PE, and the basis of arriving at such quantum?
- (iv) If no part of the remittances to be made to the non-resident under his engagement by DGH is attributable to a PE which it has in India, what are the reasons for the same?
- (v) Non-resident's complete address (not necessarily in India).
- (vi) If the non-resident has an Indian Income Tax Permanent Account Number (PAN), what is that PAN?
- (vii) Country of tax residence of the non-resident supported by a Tax Residency Certificate from the tax authorities of that country or the non-resident's own certificate (only if it is not possible for the non-resident to obtain & submit Tax Residency Certificate to DGH within a reasonable time).

(viii) Country which can be called the non-resident's principal place of business. This could be the same as his country of tax residence or different depending on facts.

(ix) Non-resident's e-mail address.

(x) Non-resident's phone number with International Dialling code.

(xii) Whether the non-resident is constituted as a company, a partnership firm, or any other form of business organisation.

In addition to above particulars, the bidder should also provide any other information as may be required later for determining the taxability of the amount to be remitted to the non-resident. Further, the bidder shall be liable to intimate the subsequent changes (if any) to the information submitted against any of the above particulars, alongwith full details.

13.0 VAGUE AND INDEFINITE EXPRESSIONS

13.1 Bids qualified by vague and indefinite expressions such as "Subject to availability" etc. will not be considered.

14.0 AGENT/ CONSULTANT/ REPRESENTATIVE/ RETAINER/ ASSOCIATE

14.1 DGH would prefer to deal directly with the manufacturers/ principals abroad but in case they decide to have their Agent/Consultant/Representative/ Retainer/Associate in India and pay commission for their services against a particular tender it should be bare minimum and the principal would have to certify that such a commission is commensurate with the services rendered to them by such an Agent/Consultant/ Representative/Retainer/ Associate in India. The principal will also have to broadly list out such services to be rendered by the Agent/Consultant/ Representative/ Retainer/ Associate in India.

14.2 In the event bidder is having an Agent/Consultant/Representative/ Retainer/ Associate/servicing facilities in India (who is not an employee of the bidder) the bidder should indicate in their offer the name of such an Agent/Consultant/Representative/Retainer/ Associate, they have for services in India. The bidder must also indicate clearly the commission payable to the Agent/Consultant/ Representative/ Retainer/Associate in rupees in terms of Agreement (enclosing copy of the same). The bidder, in his bid will indicate the nature and extent of service to be provided by such an Agent/ Consultant/ Representative/ Retainer/ Associate on behalf of the bidder and also remuneration therefore provided in the price, as a separate item, quoted by the bidder to DGH. Such remuneration/commission will be paid by DGH in non-convertible Indian currency in India. Should it be established at any subsequent point of time that the above statement of the bidder is not correct

or that any other amount of remuneration/commission either in India or abroad is being paid to any one (who is not an employee of the bidder), the bidder would be liable to be debarred from participating in the future tenders of DGH. Failure to give such information will lead to rejection of the offer.

The following particulars will also be furnished by the bidder:

- (i) The precise relationship between the foreign principal and their Agent / Consultant/ Representative / Retainer/ Associate in India.
- (ii) The mutual interest which the principal and the Agent/ Consultant/ Representative/ Retainer/ Associate in India have in the business of each other.
- (iii) Any payment which the Agent/ Consultant/ Representative/ Retainer/ Associate receives in India or abroad from principal whether as a commission for the contract or as a general retainer fee.
- (iv) Permanent Income Tax account number of Agent/ Consultant/ Representative/ Retainer/ Associate in India.
- (v) All services to be rendered by the Agent/ Consultant/ Representative/ Retainer/ Associate.

Note: Tenders which do not comply with the above stipulations are liable to be ignored.

14.3 Overseas bidder should send their bids directly and not through Agent/ Consultant/ Representative/ Retainer/ Associate. Bids made by Agent/ Consultant/ Representative /Retainer/ Associate will not be recognized. Agent/ Consultant/ Representative/ Retainer/ Associate of the overseas bidder are, however, permitted to purchase bidding documents and attend bid opening provided such an Agent/ Consultant/ Representative/ Retainer/ Associate has a power of attorney/ letter of authority setting out very clearly his role, which will be limited to such areas of activity as purchase of bidding documents, attending of bid opening and claiming of payment for their services, provided further that such a power of attorney/letter of authority is submitted to DGH in advance for scrutiny and acceptance or otherwise.

15.0 PERIOD OF VALIDITY OF BIDS

15.1 The Bid shall be valid for acceptance for the period as indicated in the "Invitation for Bid" (hereinafter referred to as validity period) and shall not be withdrawn on or after the opening of bids till the expiration of the validity period or any extension agreed thereof.

15.2 In exceptional circumstances, prior to expiry of the original bid validity period, the DGH may request the bidder for a specified extension in the period of validity. The requests and the responses shall be made in writing. The Bidder will undertake not to vary/modify the bid during the validity period or any extension agreed thereof. Bidder agreeing to the request for extension of validity of offer shall be required to extend the validity of Bid Security correspondingly.

16.0 BID SECURITY

16.1 The Bid Security is required to protect the DGH against the risk of Bidder's conduct which would warrant the security's forfeiture in pursuance to clause **16.7**.

16.2 Government Departments and Public Sector Undertakings are exempted from payment of Bid Security.

16.3 The Bidders not covered under Para **16.2** above must enclose with their offer (in case of two bid systems, with techno-commercial bid) bid security. The amount for bid security has been indicated in the "Invitation For Bid". The Bid Security shall be denominated by the foreign bidders in the foreign currency in which they quote prices.

16.4 The Bid Security shall be acceptable in any of the following forms:

(i) An account payee Demand Draft in favour of Directorate General of Hydrocarbons valid for **90 days** from its date of issue.

(ii) A Bank Guarantee as per **Appendix 2**. Bank Guarantee issued from any of the following Banks only will be accepted :

- a) Any Nationalised / scheduled Bank in India or
- b) Any Indian branch of a Foreign Bank or
- c) Any reputed foreign Bank having correspondent Bank in India

The Bank Guarantee shall be valid for 45 days beyond the validity of the bids asked for in the tender. Bank Guarantees issued by Banks in India should be on non-judicial stamp paper of requisite value, as per Indian Stamp Act, purchased in the name of the Banker.

(iii) Cashier's/ Banker's cheque valid for **180 days** from the date of issue of the same will be acceptable from foreign bidders only.

16.5 DGH shall not be liable to pay any bank charges, commission or interest on the amount of Bid Security.

16.6 Subject to provisions in para **16.2** above, offers without Bid Security will be ignored.

16.7 The Bid Security shall be forfeited:

- a) If Bid is withdrawn during the validity period or any extension thereof duly agreed by the Bidder.
- b) If Bid is varied or modified in a manner not acceptable to DGH during the validity period or any extension of the validity duly agreed by the Bidder.

c) If a Bidder, having been notified of the acceptance of its bid, fails to furnish Security Deposit/Performance Bank Guarantee (Performance Security) within 21 days of notification of such acceptance.

16.8 The Bid Security of unsuccessful Bidders will be returned on finalization of the bid. The Bid Security of successful bidder will be returned on receipt of Security Deposit/Performance Bond (Performance Security).

16.9 Offers with fax bid bonds

Normally offers received along with Fax Bid Bond shall not be considered. However, DGH reserves the right to consider the offer, provided it is followed by confirmatory original Bid Bond executed in prescribed proforma and legally operative on or before the date fixed for opening of bids (techno-commercial bid opening date in case of Two Bid System) and received by tender inviting authority within 5 working days from foreign bidders and 3 working days from Indian bidders, after opening date of bids (techno-commercial bid opening date in case of Two Bid System),

If Bidder fails to submit original Bid Bond with the same content as in Fax Bid Bond and in accordance with bidding document, irrespective of their status/ranking in tender, the bid will be rejected and DGH may consider to debar the Bidder from participating against its future tenders.

17.0 TELEX / TELEFAX / e-MAIL / XEROX / PHOTOCOPY BIDS AND THE BIDS CONTAINING SCANNED SIGNATURE:

17.1 Telex / Telefax / e-mail / Xerox / Photocopy bids and bids with scanned signature will not be considered.

Original bids should be signed manually failing which they shall be rejected.

D. SUBMISSION AND OPENING OF BIDS

18.0 SEALING AND MARKING OF BIDS.

18.1 Offers are to be submitted in triple sealed covers. The first inner sealed cover will contain Techno-Commercial bids having all details but with price column blanked out. **However a tick mark (✓) shall be provided against each item of the price bid format to indicate that there is a quote against this item in the Priced Commercial bid** This cover will clearly be super scribed with "Techno-Commercial bid" along with tender number, item description and Bid Closing Date. The second sealed inner cover will contain only the price schedule duly filled in and signed and will be clearly super scribed with "Price Bid" along with tender number. These two covers shall be put into outer cover and sealed. The outer cover should duly bear the tender number and date of closing/opening prominently underlined, along with the address of this office.

18.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by the bidder or a person duly authorized to bind the bidder to the contract. The authorization shall be indicated by written power of attorney / board resolution / agency agreement etc. accompanying the bid. The person or persons signing the bid documents shall initial all pages of the bid, except for un-amended printed literature.

18.3 The right to ignore any offer which fails to comply with the above instructions is reserved. Only one bid should be included in one cover.

18.3.1 Price bids, which remain unopened with DGH, will be **returned to the concerned bidders within 5 (five) working days of receipt of Performance Guarantee Bond(s) from the successful bidder(s).**

18.4 Any change in quotation after opening of the tender WILL NOT BE CONSIDERED.

18.5 DGH will not be responsible for the loss of tender form or for the delay in postal transit.

19.0 DEADLINE FOR SUBMISSION OF BIDS

19.1 The Bid must be received by the DGH at the address specified in Invitation for Bids not later than **1400 Hrs (IST)** on the notified date of closing of the tender. Offers sent by hand delivery should be put in the Tender Box at the specified office not later than **1400 Hrs. (IST)** on the specified date. All out-station tenders, if sent by post, should be sent under registered cover.

20.0 LATE BIDS

20.1 Bidders are advised in their own interest to ensure that bid reaches the specified office well before the closing date and time of the bid.

20.2 Any bid received after dead line for submission of bid, will be rejected and returned unopened.

21.0 MODIFICATION AND WITHDRAWAL OF BIDS

21.1 No bid may be modified after the dead line for submission of bids.

22.0 OPENING OF BIDS

22.1 The bid will be opened at **1500 Hrs. (IST)** on the date of opening indicated in "Invitation for Bid". The Bidder or his authorized representative may be present at the time of opening of bid on the specified date, but a letter in the form annexed at **Appendix- 6** hereto must be forwarded to this office along with bid and a copy of this letter must be produced in the

office by the person attending the opening of bid. Unless this letter is presented by him, he may not be allowed to attend the opening of bid.

22.2 In case of unscheduled holiday on the closing/opening day of bid, the next working day will be treated as scheduled prescribed day of closing/opening of bid, the time notified remaining the same.

E. EVALUATION OF BIDS

23.0 EVALUATION AND COMPARISON OF BIDS

23.1 Evaluation and comparison of bids will be done as per provisions of Bid Evaluation Criteria at **Annexure-II**.

24.0 UNSOLICITED POST TENDER MODIFICATIONS

24.1 Unsolicited post-tender modification will lead to straight away rejection of the offer.

25.0 EXAMINATION OF BID

25.1 The DGH will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed and whether the bids are generally in order.

25.2 DGH will determine the conformity of each bid to the bidding documents. Bids falling under the purview of “Rejection Criteria” of the bid Evaluation Criteria of the bidding document will be rejected.

26.0 SPECIFICATIONS

26.1 The Bidder must note that its Bid will be rejected in case the tender stipulations are not complied with strictly or the services offered do not conform to the required specifications indicated therein. The lowest Bid will be determined from among those Bids which are in full conformity with the required specifications.

27.0 CONVERSION TO SINGLE CURRENCY

To facilitate evaluation and comparison, the DGH will convert all bid prices expressed in the amounts in various currencies in which bid prices are payable utilising the currency, source and date of exchange rate specified in the Evaluation Criteria of Bid-Evaluation-Criteria at **Annexure II**.

28.0 PURCHASE PREFERENCE

28.1 DGH reserves its right to allow to the Indian Small Scale Sector purchase preference facility as admissible under the existing policy.

29.0 CONTACTING DGH

No bidder shall contact the DGH on any matter relating to its bid, from the time of the opening to the time the contract is awarded.

F. AWARD OF CONTRACT

30.0 AWARD CRITERIA.

DGH will award the contract to the successful bidder whose bid has been determined to be **in full conformity to the bid** documents and has been determined as the lowest evaluated bid.

31.0 DGH'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS.

31.1 DGH reserves the right to reject, accept or prefer any bid and to annul the bidding process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the ground for DGH's action. The DGH also reserves to itself the right to accept any bid in part or split the order between two or more bidders.

32.0 NOTIFICATION OF AWARD (NOA)

32.1 Prior to the expiration of the period of bid validity, DGH will notify the successful bidder in writing that its bid has been accepted.

32.2 The notification of award will constitute the formation of the contract.

32.3 Upon the successful bidder's furnishing performance security, pursuant to clause **35**, the contract shall be signed between the parties as per clause **34.0**

33.0 MOBILISATION PERIOD

Successful bidder shall be required to mobilise complete equipment along with crew (only crew in case of Operation and Maintenance Contracts) **including review & collection of available data from DGH** for commencement of services at the specified site within the time period stipulated in the Forwarding Letter of this tender document.

34.0 SIGNING OF CONTRACT

34.1 The successful bidder is required to sign a **formal detailed** contract with DGH within a maximum period of **30** days of date of Fax order / LOI / NOA.

Until the contract is signed, the Fax order/ LOI /NOA shall remain binding amongst the two parties. In case of delay in signing the contract on the part of DGH, contractor shall be paid 80% of the applicable rates falling due as per the contractual obligations on adhoc basis, till formal signing of the contract, after which the balance of due payments shall be released / adjusted against regular bills. However no payment will be made and mobilization will not be deemed completed, when the delay is on the part of the contractor to sign the contract, as per draft contract at **Annexure-III A to Annexure V** along with respective appendices thereto, of the tender.

35.0 PERFORMANCE SECURITY

35.1 Within 21 (Twenty-one) days from the date of issue of LOA / NOA by DGH, the successful Bidder shall furnish the Performance Security in accordance with the conditions of the contract in the form provided at **Appendix 1 of Annexure-III-A** and must be in the form of Bank Guarantee or irrevocable Letter of Credit from any of the following Banks only:

- a) Any Nationalised / scheduled Bank in India or
- b) Any Indian branch of a Foreign Bank or
- c) Any reputed foreign Bank having correspondent Bank in India

The Performance Security shall be denominated in the currency of the contract or in equivalent US Dollars converted at the B.C. Selling rate of State Bank of India on the date of issue of LOA (Letter of Award). Bank Guarantees issued by Banks in India should be on non-judicial stamp paper of requisite value, as per Indian Stamp Act, purchased in the name of the Banker.

35.2 The performance security specified above must be valid for 3 (three) months (covering the warranty period) plus 3 months to lodge claim, if any, beyond the contract period. The Performance Security will be discharged by DGH not later than 30 days following its expiry. In the event of any extension of the Contract period, Bank Guarantee should be extended by Contractor by the period equivalent to the extended period.

35.3 The performance security shall be payable to DGH as compensation for any loss resulting from Contractor's failure to fulfil its obligations under the Contract.

35.4 The Performance Security will not accrue any interest during its period of validity or extended validity.

35.5 Failure of the successful Bidder to comply with the requirements of clause **35.0** above shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security as per clause **16.7(c)**.

36.0 CORRESPONDENCE

36.1 DGH's fax address is (+91)-120-2472049.

36.2 All correspondence from Bidders/ contractor shall be made to the office of the HoD (MM), Directorate General of Hydrocarbons, OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida- 201 301, India.

36.3 All correspondence shall bear reference to DGH's bid document number.

37.0 UNSOLICITED COMMUNICATIONS

37.1 In case any bidder makes any unsolicited communication in any manner, after techno- commercial bid has been opened, the bid submitted by the particular bidder shall be summarily rejected, irrespective of the circumstances for such unsolicited communication.

37.2 Further, if the tender has to be closed because of such rejection, and the job has to be re- tendered, then the particular bidder shall not be allowed to bid in the re-tender.

37.3 The above provision will not prevent any bidder from making representation in connection with processing of tender directly and only to DG, DGH. However, if such representation is found by DG, DGH to be unsubstantiated and / or frivolous and if the tender has to be closed because of the delays / disruptions caused by such representations and the job has to be re-tendered, then such bidder will not be allowed to participate in the re-invited tender.

37.4 In case, any bidder while making such representations DG, DGH also involves other officials of DGH and / or solicits / invokes external intervention other than as may be permitted under the law and if the tender has to be closed because of the delays / disruptions caused by such interventions and has to be re-tendered, then the particular bidder will not be allowed to participate in the re-invited tender.

APPENDIX-1

BID SUBMISSION PERFORMA

Tender No.....

Bidder's Telegraphic Address :

Telephone No :

FAX NO :

Directorate General of Hydrocarbons .
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.

Dear Sirs,

1. I/We hereby offer to supply the services detailed in schedule hereto or such portion thereof as you specify in the Acceptance of Tender at the price given in the said schedule and agree to hold this offer open till _____.
2. I/We hereby confirm that the quoted prices will remain firm for the entire contract duration.
3. I/We have understood and complied with the "Instructions to Bidders" at **Annexure - I**, "Bid Evaluation Criteria" at **Annexure-II** and accepted the "General Terms and Conditions" at **Annexure-III A** & "Special Conditions of Contract" at **Annexure-IIIB** for providing services and have thoroughly examined and complied with the Scope of Work, Specifications etc at **Annexure-IV**, hereto and am/are fully aware of the nature of the service required and my/our offer is to provide services strictly in accordance with the requirements.

Yours faithfully,

Signature of the Bidder

Name_____

Seal of the Company

Dated

Signature of witness

Address

Note : This form should be returned along with offer duly signed.

APPENDIX - 2

Proforma of Bank Guarantee towards Bid Security BID BOND

Ref. No.....

Bank Guarantee No.....

Dated

To,

Directorate General of Hydrocarbons

OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.

Dear Sirs,

1. Whereas Directorate General of Hydrocarbons, having its office at OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India. (hereinafter called 'DGH' which expression unless repugnant to the context or meaning thereof shall mean and include all its successors, administrators, executors and assignees) has floated a Tender No. _____ and M/s _____ having Head/Registered office at _____ (hereinafter called the 'Bidder' which expression unless repugnant to the context or meaning thereof shall mean and include all its successors, administrators, executors and permitted assignees) have submitted a bid Reference No..... and Bidder having agreed to furnish as a condition precedent for participation in the said tender an unconditional and irrevocable Bank Guarantee of Indian Rupees / US Dollars (in figures)_____ (Indian Rupees / US Dollars (in words)_____ only) for the due performance of Bidder's obligations as contained in the terms of the Notice Inviting Tender (NIT) and other terms and conditions contained in the Bidding documents supplied by DGH which amount is liable to be forfeited on the happening of any contingencies mentioned in said documents.

2. We (name of the bank)_____ registered under the laws of_____ having its head/registered office at _____ (hereinafter referred to as "the Bank" which expression, unless repugnant to the context or meaning thereof, shall mean and include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay immediately on the first demand by DGH, the amount of Indian Rs. / US\$ (in figures) _____ (Indian Rupees/ US Dollars (in words) _____ only) in aggregate at any time without any demur and recourse, and without DGH having to substantiate the demand. Any such demand made by DGH shall be conclusive and binding on the Bank irrespective of any dispute or difference raised by the Bidder.

3. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

4. The Bank also agree that this guarantee shall be irrevocable and governed and construed in accordance with Indian Laws and subject to exclusive jurisdiction of Indian Courts of the place from where tenders have been invited.

5. This guarantee shall be irrevocable and shall remain in force up to _____ which **includes thirty days** after the period of bid validity and any demand in respect thereof should reach the Bank not later than the aforesaid date.

6. Notwithstanding anything contained hereinabove, our liability under this Guarantee is limited to Indian Rs./US\$ (in figures) _____ (Indian Rupees/US Dollars (in words) _____ only) and our guarantee shall remain in force until (indicate the date of expiry of bank guarantee) _____.

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of DGH under this Guarantee will cease. However, if such a claim has been received by us by the said date, all the rights of DGH under this Guarantee shall be valid and shall not cease until we have satisfied that claim. In witness whereof, the Bank, through its authorized officer, has set its hand and stamp on this day of at

WITNESS NO. 1

(Signature)
Full name and official
address (in legible letters)

(Signature)
Full name, designation and
official address (in legible
letters) with Bank stamp.

Attorney as per Power of
Attorney No.....
Dated

WITNESS NO. 2

(Signature)
Full name and official
address (in legible letters)

Notes:

12. Please indicate the currency in which Bank Guarantee is being given Indian Rupees/US\$ have been mentioned only for illustration. Therefore, in case where Bank Guarantee is being given in a currency other than Rupees/US\$, these terms may be deleted and replaced by relevant currency.

13. The expiry date as mentioned in clause **5 & 6** should be arrived at by adding 30 days to the date of expiry of the bid validity unless otherwise specified in the bidding documents.

Appendix 3

CHECK LIST

(Must be submitted duly ticked, along with the Techno-commercial Bid)

Please Tick (✓) compliance (Yes/No) for the following:

Sl	Particulars	Yes	No
1	Whether “Cost of Bid Documents” submitted along with Techno-Commercial Bid ?		
2	Whether “Bid Security” submitted along with Techno-Commercial Bid ?		
3	In case of Exemption from “Cost of Bid Documents” and Bid Security, necessary certificates attached along with Techno-Commercial Bid ?		
4	Whether Appendices of Annexure-I, as under, has been submitted along with Techno-commercial Bid, duly filled in and signed ?		
4a	Appendix- 1 : Bid Submission Proforma.		
4b	Appendix- 3 : Check List		
4c	Appendix- 4: Bidders Past Services (Similar) Proforma.		
4d	Appendix- 6: Proforma Certificate on Relatives of Directors of DGH.		
4e	Appendix- 7: Undertakings / Declaration for Service Tax / Permanent Establishment.		
4f	Appendix- 8: Proforma For Bio Data of Key Personnel		
4g	Appendix- 9: Proforma for Changes/Modifications Sought by Bidders (copy of the proforma to be submitted to DGH within 2 days of closing of sale / download of bid documents.)		
4g(i)	Whether all the clauses of the bidding document are accepted ?		
4g(ii)	Whether you have taken any exception/deviations to the bid document.?		
4g(iii)	If “YES” to Sl. 4f (ii) above, whether the same is indicated in Appendix-8 and delivered to DGH within 2 days of closing of sale / download of bid documents ?		
5	Whether prices quoted will remain firm through the contract period and without any qualifications ?		
6	Whether the period of validity of the offer is as required in bidding document ?		
7	Whether your offers conform to the contract period indicated in the bid ?		
8	Whether copies of respective contracts, along with documentary evidence in respect of satisfactory execution of each of those contracts enclosed with the techno-commercial Bid, as per Annexure-II ?		
9	Whether CVs of all the dedicated team members as per Appendix 8 to Annexure-I duly signed by the team member and attested by bidder submitted along with techno-commercial bid, as per Annexure-II ?		
10	Whether a copy of audited annual accounts for the accounting year 2012-13 or calendar year 2013 submitted along with techno-commercial bid ?		
11	Whether MoU / Agreement required as per para 2.4 (b) under Technical Bid Rejection criteria B.1 (2) of Annexure-II submitted along with techno-commercial bid ?		
12	Whether copy of valid registration certificate under Service Tax Rules or an undertaking for submission of copy of requisite service tax registration certificate along with the first invoice under the contract ?		
13	Whether it is ensured that prices are not disclosed in the Techno-Commercial Bid Envelope ?		

Signature of the Bidder

Name_____

Seal of the Company

Appendix - 4

BIDDERS PAST SERVICES (SIMILAR) PROFORMA

SL.NO.	NAME & ADDRESS OF CLIENT	PERIOD FROM TO	DESCRIPTION OF SERVICES COMPLETED SUCCESSFULLY	REMARKS
--------	-----------------------------	-------------------	--	---------

NOTE: - CERTIFICATE FROM CLIENTS TO BE ENCLOSED ALONG WITH THIS PROFORMA

Signature of the Bidder

Name_____

Seal of the Company

AUTHORISATION LETTER FOR ATTENDING TENDER OPENING

NO.

Date.....

To,

The
Directorate General of Hydrocarbons.
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.

Subject : **Tender No.**----- **due on**-----

Sir,

Mr..... has been authorised to be present at the time of
opening of above tender due on..... at, on my/our behalf.

Yours faithfully

Signature of Bidder

Copy to: Mr.for information and for
production before the HoD (MM) at the time of opening of bids.

**PROFORMA CERTIFICATE ON RELATIVES
OF DIRECTOR OF DGH**

This has reference to our proposed contract regarding to be entered into with Directorate General of Hydrocarbons. (DGH).

We certify that to the best of my/our knowledge :

- (i) I am not a relative of any DG / Director of DGH ;
- (ii) We are not a firm in which a DG / Director of DGH or his relative is a partner ;
- (iii) I am not a partner in a firm in which a DG / Director of DGH or his relative is a partner;
- (iv) We are not a private company in which a DG / Director of DGH is a Member or Director;
- (v) We are not a company in which DG / Directors of DGH hold more than 2 % of the paid-up share capital of our company or vice-versa.

Authorised Signatory of
The Contracting Party

Place...

Date...

Undertakings / Declaration

1. Service Tax Registration (*strike off whichever is not applicable*)

For Service providers having fixed establishment or permanent address in India

We have submitted a copy of valid registration certificate under service tax rules

OR

We undertake to submit copy of requisite service tax registration certificate along with the first invoice under the contract

OR

For Service providers from outside India who do not have any fixed establishment or permanent address in India.

We declare that we do not have any fixed establishment or permanent address in India

2. We declare that neither we, the bidders, nor any of our allied concerns, partners or associates or directors or proprietors involved in any capacity with this tender, are currently serving any banning orders issued by DGH debarring them from carrying on business dealings with DGH.

Signature of the Bidder

.....

Name.....

Seal of the Company

.....

Appendix – 8

Sub: DGH's Bid Document No. DGH/MM/_____/_____

PROFORMA FOR BIO DATA OF KEY PERSONNEL

AFFIX
PASSPORT SIZE
PHOTOGRAPH

1. NAME
2. PRESENT ADDRESS
3. PERMANENT ADDRESS
4. FATHER'S NAME
5. NATIONALITY
6. PASSPORT NO. AND VALIDITY
(IN CASE OF EXPATRIATE)
7. DESIGNATED POST
8. EDUCATIONAL QUALIFICATION
9. DATE OF BIRTH
10. EXPERIENCE IN REVERSE ORDER

Sl.No	Period		Name of the Company	Assignments handled
	From	To		

Signature of the Bidder

.....

Name.....

Seal of the Company

.....

**PROFORMA FOR CHANGES/ MODIFICATIONS SOUGHT BY BIDDERS
TO THE BIDDING CONDITIONS**

(To be communicated by Fax / Courier, so as to reach DGH within 2 (two) days of closing of sale / download of bid documents. Please see Clause “A” under Annexure –II, Bid Rejection Criteria)

DGH expects the bidders to fully accept the terms and conditions of the bidding documents. However, changes/ modifications to the terms and conditions of bidding documents, if any proposed, can be communicated in the following proforma, in case pre-bid is not held. This can be used even in cases where pre-bid is held, to inform about the proposals in advance to the pre-bid date.

Clause No. of Bidding Document	Full compliance/ not agreed	Changes/ modifications proposed by the Bidders	REMARKS
--------------------------------	-----------------------------	--	---------

Signature of the Bidder

.....

Name.....

Seal of the Company

.....

Note:- Bids maintaining or taking exceptions/deviations shall be rejected straightaway

BID EVALUATION CRITERIA

Bid Rejection Criteria

A. VITAL CRITERIA FOR ACCEPTANCE OF BIDS

Bidders are advised not to take any exception/deviations to the bid document. Exceptions/ deviations, if any, along with suggested changes are to be communicated by Fax / Courier, so as to reach DGH within 2 (two) days of closing of sale / download of bid documents. DGH after processing such suggestions may, through an addendum to the bid document, communicate to the bidders the changes in its bid document, if any, through DGH's website. Still, if exceptions /deviations are maintained in the bid, such conditional/ non-conforming bids shall not be considered and shall be rejected.

B. REJECTION CRITERIA

B.1 Technical rejection criteria

The following vital technical conditions should be strictly complied with, failing which the bid will be rejected:

1.0 Bid should be complete covering all the scope of job/ supply and should conform to the technical specifications indicated in the bid documents, duly supported with technical catalogues/ literatures wherever required. Incomplete and non-conforming bids will be rejected outright.

2.0 Eligibility and experience of the bidder:-

(a) The Consulting firm / company should have following credentials:

(i) At least 10 years track record on projects in different operating environments and fiscal regimes, geologies, countries etc, during the immediate past 10 years.

(ii) Oil and gas sector specific consulting expertise having done at least three such studies during the last 10 years.

(a.1) **Documentary evidence for 2.0 (a) :** Necessary documentary evidence / certificates to be submitted along with techno-commercial bid, in the form of copies of respective contracts, along with documentary evidence in respect of satisfactory execution of each of those contracts, in the form of copies of any of the documents (indicating respective contract number and type of services), such as - (i) Satisfactory completion / performance report (OR) (ii) proof of release of Performance Security after completion of the contract (OR) (iii) proof of settlement / release of final payment against the contract (OR) (iv) any other

documentary evidence that can substantiate the satisfactory execution of each of the contracts cited above.

(b) Dedicated Project Team credentials:

(i) Project Director (PD) – At least 25 years experience in the area of Petroleum Operations.

(ii) Project Manager (PM) - At least 15 years experience in oil and gas industry (techno / commercial areas)

(iii) 2 dedicated professionals in the project team (apart from PD & PM) with at least 10 years oil and gas sector experience

(iv) Certificate by bidder that Project team continuity assured for length of project

(b.1) **Documentary Evidence for 2.0 (b):** CVs of all the dedicated team members as per Appendix 8 to Annexure-I duly signed by the team member and attested by bidder, to be submitted along with techno-commercial bid.

2.2 In case the bidder is an Indian company/ Indian Joint venture company, either the Indian company/ Indian Joint venture company or its technical collaborator/ joint venture partner should meet the criteria laid down at **2.0 (a & b)**.

Details of experience and past performance of the bidder and the collaborator (in case of collaboration) or of joint venture partner (in case of a joint venture), on works/ jobs done of similar nature in the past and details of current work in hand and other contractual commitments, indicating areas and clients are to be submitted along with the techno- commercial bid, in support of the experience laid down at **para 2.0 (a & b)** above.

2.3 In case the bidder is a consortium of companies, the following requirement should be satisfied

a) The leader of the consortium should satisfy the minimum experience requirement as per **para 2.0 (a & b)** above.

b) The leader of the consortium should confirm unconditional acceptance of full responsibility of executing the ‘ Scope of work’ of this tender. This confirmation should be submitted along with the techno-commercial bid.

c) All the members of the consortium must undertake in their MOU that each party shall be jointly and severally liable to DGH for any and all obligations and responsibilities arising out of this contract.

2.4 (a) Indian companies/ Joint Venture companies :- Indian bidders whose proposal for technical collaboration/ Joint Venture involves foreign equity

participation or payment of royalty and / or lump sum for technical know-how and wherever Govt. approval is necessary, are required to submit copy of Govt. approval, on their application submitted to SIA, prior to the date of price bid opening.

2.4 (b) Bidders should submit, along with the techno-commercial bid, Memorandum Of Understanding (MOU) / Agreement with their technical collaborator/joint venture partner (in case of Joint venture) clearly indicating their roles under the scope of work.

2.4(c) MOU/ Agreement concluded by the bidder with technical collaborator/ joint venture partner (in case of joint venture), should also be addressed to DGH, clearly stating that the MOU /Agreement is applicable to this tender and shall be binding on them for the contract period. Notwithstanding the MOU/Agreement, the responsibility of completion of job under this contract will be with the bidder.

B2. Commercial rejection criteria

The following vital commercial conditions should be strictly complied with failing which the bid will be rejected:

1.0 Proof of the sale/issue of bid document

1.1 The forwarding letter, in original, as a proof of issue of the tender document(purchased against payment of requisite tender fee), duly signed by tender issuing officer, must be sent by the bidder along with the offer.

1.2 Bidders downloading the bid document from the website should ensure to submit “Cost of Bid Documents” along with the Technical Bid in the form of a Bank Draft / Cashier’s Cheque / Banker’s Cheque.

2.0 Bid should be submitted (in Two Bid system) in two separate envelopes. The TechnoCommercial bid shall contain all details but with the price column of the price bid format blanked out. However a tick mark (☐) shall be provided against each item of the price bid format to indicate that there is a quote against this item in the Priced Commercial bid. The Priced bid shall contain only the prices duly filled in as per the price bid format.

Offers with techno commercial bid containing prices shall be rejected outright.

3.0 Acceptance of terms & conditions:

The bidder must confirm unconditional acceptance of General Conditions of Contract at **Annexure III A**, Special Conditions of Contract at **Annexure IIIB** and Instruction to Bidders at **Annexure I**.

4.0 Offers of following kinds will be rejected:

- a) Offers made without Bid Security/Bid Bond/Bank Guarantee along with the offer (Refer **clause 16** of Instruction to Bidders at **Annexure I**).
- b) Telex / Fax / e-Mail / Xerox / Photo copy offers and bids with scanned signature. Original bids which are not signed manually.
- c) Offers made by Agents/Consultants/Retainers/Representatives/Associates of foreign principals.
- d) Offers which do not confirm unconditional validity of the bid for the period indicated in the Forwarding Letter of this Bid Documents.
- e) Offers where prices are not firm during the entire duration of the contract and/or with any qualifications.
- f) Offers which do not conform to DGH's price bid format.
- g) Offers which do not conform to the mobilization period indicated in the bid.
- h) Offers which do not conform to the contract period indicated in the bid.
- j) Offers and all attached documents not signed by the authorised person.
- k) Offers not accompanied with a copy of valid registration certificate under Service Tax Rules or an undertaking for submission of copy of requisite service tax registration certificate along with the first invoice under the contract. (Not Applicable for Service providers from outside India, who do not have any fixed establishment or permanent address in India).
- l) Offers not accompanied with a declaration to the effect that the bidder do not have any fixed establishment or permanent address in India. (Applicable for Service providers from outside India, who do not have any fixed establishment or permanent address in India).
- m) Offers not accompanied with a declaration that neither the bidders themselves, nor any of its allied concerns, partners or associates or directors or proprietors involved in any capacity, are currently serving any banning orders issued by DGH debaring them from carrying on business dealings with DGH.

4.1 The offers of the bidders indicating/disclosing prices in techno-commercial (un-priced bid) or at any stage before opening of price-bid shall be straightaway rejected.

5.0 Bidder shall bear, within the quoted rates, the Personnel Tax as applicable in respect of their personnel and their sub-contractor's personnel, arising out of this contract. Bidder shall also bear, within the quoted rates, the Corporate Tax, as applicable, on the income arising out of this contract.

6.0 Indian agent is not permitted to represent more than one foreign bidder (Supplier/ Manufacturer/ Contractor) in a particular tender. In case an Indian agent represents more than one foreign bidder (Supplier/ Manufacturer/ Contractor) in a particular tender, then offers of such foreign bidders (Suppliers/ Manufacturers/ Contractors) shall be rejected in that tender.

C. Price Evaluation Criteria

1.1 If there is any discrepancy between the unit price and the total price, the unit price will prevail and the total price shall be corrected. Similarly, if there is any discrepancy between words and figure, the amounts in words shall prevail and will be adopted for evaluation.

1.2 While evaluating the bids, the closing B.C. Selling market rates of exchange declared by the State Bank of India on the day prior to the price bid opening will be taken into account for conversion of foreign currency into Indian Rupees. Where the time lag between opening of price bid and final decision exceeds three months, the B.C. selling market rate of exchange declared by SBI on the day prior to date of final decision will be adopted for conversion of foreign currency into Indian Rupees.

2 Evaluation of bids :-

(a) Pre-qualification criteria- A screening committee approved by the competent authority will undertake the screening of all the tenders based on the pre-qualifying criterion. Any bidder / agency not meeting any of the pre-qualification requirements will not be short-listed for the presentation to the management and further evaluation.

(a1) Bidding by forming a consortium or under an MOU amongst companies is also allowed, with the lead company being identified which should also meet the BRC conditions.

(b) Evaluation and Selection Procedure- All the bidders / agencies shortlisted by the committee as above will be invited for making a presentation in person or through video-conferencing on a date and venue that will be decided by the tender committee. Each bidder will be given a maximum of 30 minutes to make the presentation to the evaluation committee so constituted. The evaluation, based on the credentials submitted in the techno-commercial bid and the presentation made, will be on the following broad parameters:

Sl. No.	Criteria	Max Marks
1	No. of projects regarding advising Governments around the world for policy formulation in E&P sector (a) = 'a' X 2 marks	10
2	No. of benchmarking projects in upstream oil & gas industry (b) = 'b' X 2 marks	10
3	Upstream Studies carried out in different countries = no. of countries X 2 marks	10
4	Annual turnover of bidder in accounting year 2012-13 or calendar year 2013 (copy of audited annual accounts to be submitted along with techno-commercial bid. In case of foreign currency, Exchnage rate to be used for conversion to INR is the BC Selling Rate of SBI as on the last day of the accounting year) Less than INR 100 crores = 0 marks Equal to or More than INR 100 crores = 10 marks	10

5	CVs showing minimum 10 years in-line experience for the key personnel in the following disciplines who will be associated with this job of DGH: Geology Geophysics Production Reservoir/Petroleum Engineering Oil & Gas Economics Legal	 2 2 2 2 2 2
6	E&P Database required to carry out this project a. Technical b. Contractual regimes c. Proprietary database that is sold to customers on ongoing basis	 6 6 6
7	Presentation to be made by the qualified bidders: Vendor's perception about the scope of work Technical strength of previous works done Team strength for the current project	 10 10 10
	TOTAL Technical Score	100

NOTE: Documentary proof is to be provided for above (Sl. No. 1 to 6) in technical bid. Non submission of documentary evidences for above in technical bid will result into "zero" marks.

(c) Evaluation of Financial proposal and award of work

(i) The bidders will be evaluated against relative ranking obtained against the assessment as made in the table above. Agencies securing top three positions will make them technically qualified for opening of price bid. However the decision of the Evaluation committee will be final and binding.

(ii) After Techno-Commercial evaluation, financial bid will be opened for the top three scorers of technical evaluation. The financial proposal would be evaluated as under:

(iii) An Evaluated Bid Score (B) will be calculated for each responsive bid using the following formula, which permits a comprehensive assessment of the bid price and the technical merits of each bid:

$$B = X * \frac{C_{low}}{C} + (1 - X) * \frac{T}{T_{high}}$$

Where

C = Quoted Bid Price (Total contract cost including taxes & duties as per the Price Format.)

C low = Lowest of all quoted Bid Prices among the top three ranked bids

T = the total Technical Score awarded to the bid

Thigh = the highest Technical Score achieved by the bid among all responsive bids

X = Weightage for the Price as specified below:

The technical to financial weightage ratio would be 60:40 hence $X = 0.40$.

(iv) The bid with the highest Evaluated Bid Score (B) among the top three ranked bids shall be termed the Lowest Evaluated Bid and is eligible for Contract award, provided the Bidder was pre-qualified and/or it was found to be qualified to perform the Contract.

(v) In case of a tie in Evaluated Bid Scores (B), bidder with higher technical score will be awarded the Contract.

(vi) DGH reserves the right to negotiate the rates with Lowest Evaluated Bid as specified above and also reserves the right to reject any or all the offers without assigning any reason.

2.1 Bidders should quote the Charges/rates, giving complete break up of all the quoted services which are taxable under Service Tax rules 1994 (as amended from time to time) and clearly indicating the applicable rate of service tax (along with rates of all related levies viz. Surcharges, Cess, etc.,) nature / category of service as per service tax rules (under which the respective service is covered) and the amount of service tax included in his bid. Details of abatements / deductions available, if any, should also be indicated specifically.

In case the applicability of Services Tax is not quoted explicitly in the offer, the offer will be considered as inclusive of all liabilities of Service Tax.

In the contracts involving multiple services or involving supply of certain goods / materials along with the services, the Bidder should give separate break-up for cost of goods and cost of various services, and accordingly quote Service Tax as applicable for the taxable services. In case the Bidder does not give break-up of the quoted prices, separately indicating the components of taxable services and material to be supplied (if any), the Service Tax will be loaded on entire quoted / contract value for evaluation.

2.1.1 For Services received by DGH in Indian Territory from a Service provider from outside India, who does not have any fixed establishment or permanent address in India, the Bidder should not include the service tax in his quoted price. However, the Service tax as applicable will be loaded for evaluation on the portion of services which attract service tax. In case the Bidder does not give break-up of the quoted price, separately indicating the component for the taxable services and material to be supplied (if any), the service tax will

be loaded on entire quoted / Contract value..

D. General:

1. The BEC over-rides all other similar clauses operating anywhere in the Bid Documents.
2. The bidder/contractor is prohibited to offer any service / benefit of any manner to any employee of DGH and that the contractor may suffer summary termination of contract / disqualification in case of violation.
3. On site inspection will be carried out by DGH's officers / representative / Third Parties at the discretion of the DGH.

ANNEXURE - IIIA

MODEL CONTRACT AND GENERAL CONTRACT CONDITIONS

(To be signed with the successful bidder)

This CONTRACT is made and entered into on thisday of ...Two thousand and by and between Directorate General of Hydrocarbons having its office at OADB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India (hereinafter referred to as DGH which expression unless repugnant to the context or meaning hereof shall include its successors, administrators, executors and assignees) on the one part and M/s, a company registered under the companies Act with its Registered office at referred to as the “CONTRACTOR” (which expression unless repugnant to the context or meaning hereof shall include its successors, administrators, executors and permitted assignees) on the other part.

Whereas DGH is desirous of (description of services) for carrying out DGH's operations conforming to specifications as set forth in the Scope of Work at **Annexure-IV** of this agreement.

And Whereas the CONTRACTOR represents that it has the necessary experience for carrying out DGH's operations as referred to herein and has submitted a bid for providing the required services against DGH's Tender No..... all in accordance with the terms and conditions set forth herein and any other reasonable requirements of the DGH from time to time.

And Whereas DGH's has accepted the bid of the CONTRACTOR and has placed Fax order / Letter of Intent /Notification Of Award vide its letter dated.... On the CONTRACTOR.

Now it is hereby agreed to by and between the parties as under:

1.0 DEFINITIONS:

Unless inconsistent with or otherwise indicated by the context, the following terms stipulated in this CONTRACT shall have the meaning as defined hereunder.

1.1 CONTRACT

Shall mean a written CONTRACT signed between DGH and the CONTRACTOR (the successful bidder) including subsequent amendments to the CONTRACT in writing thereto.

1.2 DGH:

DGH or Directorate General of Hydrocarbons., India means an organization including its successors, under the Ministry of Petroleum & Natural Gas, Government of India.

1.3 SITE

Shall mean the place in which the services are to be carried out or places approved by the DGH for the purposes of the CONTRACT together with any other places designated in the CONTRACT as forming part of the site.

1.4 DGH'S SITE REPRESENTATIVE

Shall mean the person or the persons appointed by DGH from time to time to act on its behalf at the site for overall co-ordination, supervision and project management at site.

1.5 CONTRACTOR:

Shall mean any person/ persons/ firm/ company etc. whose bid has been accepted by DGH and to whom work has been awarded under this contract and shall include its authorized representatives, successors and permitted assignees.

1.6 SUB-CONTRACT:

Shall mean order/ contract placed by the CONTRACTOR for any portion of the CONTRACT or work sublet with necessary written consent of DGH on third party. Such sub-letting shall not relieve the CONTRACTOR from any of its obligation, duty or responsibility under the CONTRACT.

1.7 SUB-CONTRACTOR:

Shall mean any person or persons or firm or their legal representatives, successors, assignees to whom part of CONTRACT has been sublet by the CONTRACTOR after necessary written consent of DGH.

1.8 CONTRACTOR'S REPRESENTATIVE

Shall mean such person/or persons duly appointed representative at the site and base as the CONTRACTOR may designate in writing to the DGH as having authority to act for the CONTRACTOR in matters affecting the work and to provide the requisite services.

1.9 CONTRACT PRICE

Shall mean the sum accepted or the sum calculated in accordance with the rates accepted by DGH and amendments thereof, and shall include all fees, registration and other charges paid to statutory authorities without any liability on DGH for any of these charges. The prices will remain firm during currency of the CONTRACT unless specifically agreed to in writing by DGH.

1.10 DAY

Shall mean a calendar day of twenty-four (24) consecutive hours beginning at 0000 hours with reference to local time at the site.

1.11 EQUIPMENT/MATERIALS/GOODS:

Shall mean and include any equipment, machinery, instruments, stores, goods which CONTRACTOR is required to provide to the DGH for/under the CONTRACT and amendments thereto.

1.12 WORKS / OPERATIONS:

Shall mean all work to be performed by the CONTRACTOR as specified in the Scope of Work under this CONTRACT.

1.13 GUARANTEE:

Shall mean the period and other conditions governing the warranty/guarantee of the works as provided in the CONTRACT.

1.14 MOBILISATION:

Shall mean rendering the necessary equipment fully manned and equipped as per requirements of the CONTRACT and ready to begin work at designated site. The date and time of DGH's acceptance will be treated as the date and time of mobilisation.

1.15 DEMOBILISATION:

Shall mean the removal of all things forming part of the mobilization from the site designated by DGH. The date and time of DGH's acceptance shall be treated as the date and time of demobilization.

1.16 DRAWINGS:

Shall mean and include all Engineering sketches, general arrangements/ layout drawings, sectional plans, all elevations, etc. related to the CONTRACT together with modification and revision thereto.

1.17 SPECIFICATIONS:

Shall mean and include detailed description, statements to technical data, performance characteristics, and standards (Indian as well as International) as applicable and as specified in the CONTRACT.

1.18 INSPECTORS:

Shall mean any person or outside Agency nominated by DGH to inspect equipment, materials and services, if any, in the CONTRACT stage wise as well as final as per the terms of the CONTRACT.

1.19 TESTS:

Shall mean such process or processes to be carried out by the CONTRACTOR as are prescribed in the CONTRACT considered necessary by DGH or their representative in CONTRACT to ascertain quality, workmanship, performance and efficiency of equipment or services thereof.

1.20 FACILITY:

Shall mean all property of the DGH owned or hired by DGH.

1.21 THIRD PARTY

Shall mean any group, person or persons who may be engaged in activity associated with the work specified but who shall remain at an arm's length from the work and who shall not have a direct responsibility or authority under the terms of this CONTRACT.

1.22 APPROVAL:

Shall mean and include the written consent duly signed by DGH or their representative in respect of all documents, drawings or other particulars in relation to the CONTRACT

1.23 SINGULAR/ PLURAL WORDS:

Save where the context otherwise requires, words imparting singular number shall include the plural and vice versa and words imparting neutral gender shall include masculine or feminine gender and vice versa.

1.24 GROSS NEGLIGENCE

Shall mean any act or failure to act (whether sole, joint or concurrent) by a person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, avoidable and harmful consequences such person or entity knew, or should have known, would result from such act or failure to act. Notwithstanding the foregoing, Gross negligence shall not include any action taken in good faith for the safeguard of life or property,

1.25 WILLFUL MISCONDUCT

Shall mean intentional disregard of good and prudent standards of performance or proper conduct under the CONTRACT with knowledge that it is likely to result in any injury to any person or persons or loss or damage of property.

2.0 SCOPE OF WORK / CONTRACT:

Scope of the CONTRACT shall be as defined in the CONTRACT, specifications at **Annexure-IV**.

3.0 EFFECTIVE DATE, MOBILISATION TIME, DATE OF COMMENCEMENT OF THE CONTRACT AND DURATION OF CONTRACT:

2.2 EFFECTIVE DATE OF CONTRACT : The contract shall become effective as of the date, DGH notifies the successful bidder, in writing through Letter of Awards (LOA) that it has been awarded the contract. This date of issue of LOA shall be treated as the Effective Date of Contract.

2.3 MOBILISATION TIME : The mobilization of equipment, personnel, should be completed by Contractor within the stipulated period under the contract. Mobilization shall be deemed to be completed when Contractor's equipment and manpower are placed at the designated location in readiness to commence work as envisaged under the Contract duly certified by the DGH's authorized representative.

2.4 DATE OF COMMENCEMENT OF CONTRACT: The date on which the mobilization is completed in all respects is treated as **date of commencement of Contract**.

2.5 DURATION OF CONTRACT: The contract shall be for the period as indicated in the **Scope of Work**, with an option to extend the contract period for another **1(one) year** at the discretion of DGH at the mutually agreed rates, terms and condition, but with a rate not higher than the originally quoted rate.

4.0 GENERAL OBLIGATIONS OF CONTRACTOR: Contractor shall, in accordance with and subject to the terms and conditions of this Contract:

4.1 Perform the work described in the Scope of Work / Terms of Reference (**Annexure IV**) in most competent manner both technically & systematically and also in economic and cost effective manner.

4.2 Except as otherwise provided in the Terms of Reference and the special Conditions of the contract provide all manpower as required to perform the work.

4.3 Perform all other obligations, work and services which are required by the terms of this contract or which reasonably can be implied from such terms as being necessary for the successful and timely completion of the work.

4.4 Contractor shall be deemed to have satisfied himself before submitting his bid as to the correctness and sufficiency of its bid for the services required and of the rates and prices quoted, which rates and prices shall, except insofar as otherwise provided, cover all its obligations under the contract.

4.5 Contractor shall give or provide all necessary supervision during the performance of the services and as long thereafter within the warranty period as DGH may consider necessary for the proper fulfilling of Contractor's obligations under the contract.

5.0 GENERAL OBLIGATIONS OF DGH: DGH shall, in accordance with and subject to the terms and conditions of this contract:

5.1 Pay Contractor in accordance with terms and conditions of the contract.

5.2 Allow Contractor and his personnel access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.

5.3 Perform all other obligations required of DGH by the terms of the contract.

6.0 PERSONNEL TO BE DEPLOYED BY CONTRACTOR

6.1 Contractor warrants that they will provide competent, qualified and sufficiently experienced personnel to perform the work correctly and efficiently and shall ensure that such personnel observe applicable DGH and statutory safety requirement. Upon DGH's written request, Contractor, entirely at their own expense, shall remove immediately, from assignment to the work, any personnel of the Contractor determined by the DGH to be unsuitable and shall promptly replace such personnel with personnel acceptable to the DGH without affecting DGH's work. The replacement key personnel must have the requisite qualification and experience as per Scope of Work / Terms of Reference (**Annexure -IV**) and shall submit their credentials along with their recent photographs to DGH for approval of DGH.

6.0 The Contractor shall be solely responsible throughout the period of this contract for providing all requirements of their personnel including but not limited to their transportation to & fro Noida / field site, en-route/local boarding, lodging, medical attention etc. DGH shall have no liability or responsibility in this regard.

6.1 Contractor's key personnel shall be fluent in English language (both writing and speaking).

7.0 WARRANTY AND REMEDY OF DEFECTS

7.1 Contractor warrants that they shall perform the work in a first class, workmanlike, and professional manner and in accordance with the highest degree of quality, efficiency and current state of the art technology/oil field practices and in conformity with all specifications, standards and drawings set forth or referred to in the Scope of Work / Terms of Reference and with instructions and guidance which DGH may, from time to time, furnish to the Contractor.

7.2 Should DGH discover at any time during the tenure of the Contract or within 3(three) months after completion of the operations that the Work does not conform

to the foregoing warranty, Contractor shall after receipt of notice from DGH, promptly perform any and all corrective work required to make the services conform to the Warranty. Such corrective Work shall be performed entirely at Contractor's own expenses. If such corrective Work is not performed within a reasonable time, DGH, at its option may have such remedial Work performed by others and charge the cost thereof to Contractor which the Contractor must pay promptly. In case Contractor fails to perform remedial work, or pay promptly in respect thereof, the performance security shall be forfeited.

8.0 NOTICES AND ADDRESSES:

For the purposes of this CONTRACT, the addresses of the parties will be as follows and all correspondence and notices in relations to the present CONTRACT sent to the parties at the addresses mentioned below shall be deemed to be sufficient service of notice on the parties. All such notices as will as reports, invoices and other relevant material shall be addressed to the parties as per the address given below:

8.1 Directorate general of Hydrocarbons

(a) For CONTRACT related communication:

H O D (MM)
Directorate General of Hydrocarbons,
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.
Fax : +91 120 2472049

For reports and payments:

(b) Chief Engineer (Production) – Member Secretary (SC-PIP)
Directorate General of Hydrocarbons,
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.
Fax : +91 120 2472049

8.2 CONTRACTOR'S REGISTERED OFFICE AND ADDRESS

.....
.....
.....
Fax:.....

9.0 DUTIES AND POWER /AUTHORITY :

- 9.1 The duties and authorities of the DGH's site representative are to act on behalf of the DGH for:
- i. Overall supervision, co-ordination and Project Management at site
 - ii. Proper utilization of equipment and services.
 - iii. Monitoring of performance and progress

- iv. Commenting/ countersigning on reports made by the CONTRACTOR's representative at site in respect of works, receipts, consumption etc. after satisfying himself with the facts of the respective cases.
- v. He shall have the authority, but not obligation at all times and any time to inspect/test/examine/ verify any equipment machinery, instruments, tools, materials, personnel, procedures and reports etc. directly or indirectly pertaining to the execution of the work. However this shall not construe to imply an acceptance by the inspector. Hence, the overall responsibility of quality of work shall rest solely with the CONTRACTOR.
- vi. Each and every document emerging from site in support of any claim by the contractor has to have the countersignature/ comments of the DGH's representative/engineer without which no claim will be entertained by the DGH.

9.2 CONTRACTOR's representative:

- i. The CONTRACTOR's representative shall have all the powers requisite for the performance of the works.
- ii. He shall liaise with DGH's representative for the proper co-ordination and timely completion of the works and on any matter pertaining to the works.
- iii. He will extend full co-operation to DGH's representative/inspector in the manner required by them for supervision/inspection/observation of equipment, material, procedures, performance, reports and records pertaining to works.
- iv. To have complete charge of CONTRACTOR's personnel engaged in the performance of the work and to ensure compliance of rules and regulations and safety practice.

10.0 CONTRACT DOCUMENT :

10.1 Governing language:

The governing language for the CONTRACT shall be English. All CONTRACT documents and all correspondence and communication to be given and all other documentation to be prepared and supplied under the CONTRACT shall be written in English and the CONTRACT shall be construed and interpreted in accordance with English language.

10.2 Entire Agreement :

The CONTRACT constitutes the entire agreement between the DGH and the CONTRACTOR with respect to the subject matter of the CONTRACT and supersedes all communication, negotiations and agreement (whether written or oral) of the parties with respect thereto made prior to the date of this agreement. The right of either party to require strict performances will not be affected by any previous waiver or course of dealing. Neither this Agreement nor any

modification will be binding on a party unless signed by an authorised representative of CONTRACTOR and DGH.

10.3 Modification in CONTRACT:

All modifications leading to changes in the CONTRACT with respect to technical and/or commercial aspects, including terms of delivery, shall be considered valid only when accepted in writing by DGH by issuing amendment to the CONTRACT. DGH shall not be bound by any printed conditions, provisions in the CONTRACTOR's BID, forms of acknowledgement of CONTRACT, invoice, packing list and other documents which purport to impose any condition at variance with or supplement to CONTRACT.

10.4 Assignment:

The CONTRACTOR shall not, save with the previous consent in writing of the DGH, sublet/SUB-CONTRACT, transfer or assign the CONTRACT or any part thereof in any manner whatsoever. However, such consent shall not relieve the CONTRACTOR from any obligation, duty or responsibility under the CONTRACT and CONTRACTOR shall be fully responsible for the services hereunder and for the execution and performance of the CONTRACT.

10.5 Waivers and amendments :

Waivers: - It is fully understood and agreed that none of the terms and conditions of this CONTRACT shall be deemed waived by either party unless such waiver is executed in writing only by the duly authorised agents or representative of both the parties. The failure of either party to execute any right shall not act as a waiver of such right by such party.

Amendments: - It is agreed that CONTRACTOR shall carry out work in accordance with the completion program to be furnished by the DGH which may be amended from time to time by reasonable modifications as DGH deems fit.

11.0 REMUNERATION AND TERMS OF PAYMENT

11.1 DGH shall pay to CONTRACTOR for the services, to be provided by the CONTRACTOR as per the Scope of Work (**Annexure-IV**), as per the Price Format at **Annexure-V**. The rates payable, shall be firm during the entire CONTRACT period, including extension period, if any.

11.2 All Bills along with relevant supporting documents shall be submitted in duplicate to the addressee at **8.1 (b)** above.

11.3 Clear (undisputed) invoices with original supporting documents duly countersigned by DGH's representative/ engineer wherever applicable will be submitted at the end of satisfactory completion of Works / Services / Project by the CONTRACTOR to DGH and payment shall be made within 30 (thirty)

calendar days from the date of receipt of invoice at the above office (Unless otherwise specified in the Special Conditions of the Contract)

The original invoice should also accompany the following documents/ details:

1) Along with invoice:

Following documents / details should be invariably furnished along with the invoice:

- a) Copy of valid registration certificate under the Service Tax rules.
- b) Particulars required for making payments through 'Electronic Payment Mechanism', in accordance with the clause on 'MODE OF PAYMENT' appearing in **Annexure-I** (i.e. 'Instructions to bidders') of bid document.
- c) Invoice (i.e. Tax invoice as per relevant Service Tax rules, in original and duplicate, clearly indicating Service Tax registration number, Service Classification, Rate and amount of Service Tax shown separately).
- d) Insurance policies and proof of payment of premium (As applicable).
- e) Details of statutory payments like PF, ESI, EPF etc. (As applicable).
- f) Undertaking by the contractor regarding compliance of all statutes.
- g) Documentary evidence of payment of Customs duty, where applicable.
- h) Any other document specifically mentioned in the Contract, or supporting documents in respect of other claims (if any), permissible under the Contract.

2) Payment towards Indian Agent Commission (IAC):

- a) Invoice of IAC (stamped pre-receipted bill)
- b) Particulars required for making payments through 'Electronic Payment Mechanism', in accordance with the clause on 'MODE OF PAYMENT' appearing in **Annexure-I** (i.e. 'Instructions to bidders') of bid document.
- c) Copy of payment advice (if applicable) against which IAC is claimed.
- d) e-mail ID.

11.4 Particulars required before releasing payments to (foreign CONTRACTOR (non-resident as per Income Tax Act, 1961):

The particulars as per clause **12.1 of Annexure-I** are invariably required before releasing payments to foreign CONTRACTOR, in accordance with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (as amended from time to time).

In addition to the said particulars submitted alongwith the bid, the CONTRACTOR should also provide any other information as may be required for determining the taxability of the amount to be remitted to the non-resident. Further, the CONTRACTOR shall be liable to intimate the subsequent changes (if any) to the information submitted against any of the said particulars, alongwith full details.

11.5 In the event of any dispute in a portion or whole of any invoice, DGH shall make payment of undisputed portion and shall promptly notify the

CONTRACTOR's representative in writing for the remaining portion in CONTRACT to mutually resolve the dispute and if resolved in part or full, payment shall be made to the CONTRACTOR within 30 days of such settlement.

11.6 DGH's right to question the amounts claimed

Payment of any invoice shall not prejudice the right of the DGH to question the allowability under this Contract of any amounts claimed therein, provided DGH, within one year beyond the expiry of each CONTRACT year, delivers to CONTRACTOR, written notice identifying any item or items which it questions and specifying the reasons therefor. Should DGH so notify CONTRACTOR, such adjustment shall be made as the parties shall agree. These provisions shall be reciprocal for similar rights to the CONTRACTOR.

The CONTRACTOR shall provide on demand a complete and correct set of records pertaining to all costs for which it claims reimbursement from DGH and as to any payment provided for hereunder, which is to be made on the basis of CONTRACTOR's costs.

11.7 Payment of commission / fee / remuneration of Indian agent / consultant / representative / retainer / associate of foreign principal.

The commission/ fee/ remuneration of the Indian agent/ consultant/ representative/ retainer/associate will be paid within 15 days of the payment of first invoice made to the CONTRACTOR provided installation/commissioning of equipment by such agent/ consultant/ representative/ retainer/ associate is not involved. In such cases, the amount of commission/fee/remuneration will be deducted by DGH from payment of invoice of the CONTRACTOR and paid to the Indian agent/consultant/ representative/ retainer/ associate in non-convertible Indian rupees at the closing market rate of exchange declared by SBI on the day prior to price bid/revised price bid (if any) opening.

Where, as a condition of CONTRACT, the equipment is to be installed/commissioned satisfactorily by Indian agent/ consultant/ associate/ representative/ retainer/, the payment of commission/fee/remuneration shall be made within 30 days of satisfactory installation/commissioning and issue of a certificate to the effect by the authorised officer of DGH. The payment of Indian agent/ consultant/representative/ retainer/associate will be subject to the condition that he sends stamped pre-receipted bill for the commission/fee/remuneration.

The closing market rate of exchange declared by SBI on the day prior to the price bid/revised price bid (if any) opening will be taken into consideration for working out the commission/fee/remuneration of Indian agent/ consultant/ representative/ retainer/ associate.

12.0 CLAIMS, TAXES & DUTIES, FEES AND ACCOUNTING

12.1 A Claims

CONTRACTOR agrees to pay all claims, taxes and fees for equipment, labour, materials, services and supplies to be furnished by it hereunder and agrees to allow no lien or charge resulting from such claims to be fixed upon any property of DGH. DGH may, at its option, pay and discharge any liens or overdue charges for CONTRACTOR's equipment, labour, materials, services and supplies under this CONTRACT and may thereupon deduct the amount or amounts so paid from any sum due, or thereafter become due, to CONTRACTOR hereunder.

12.2 B. Notice of claims

CONTRACTOR or DGH, as the case may be, shall promptly give the other, notice in writing of any claim made or proceeding commenced for which that party is entitled to indemnification under the CONTRACT. Each party shall confer with the other concerning the defense of any such claims or proceeding, shall permit the other to be represented by counsel in defense thereof, and shall not effect settlement of or compromise any such claim or proceeding without the other's written consent.

12.3 Taxes

CONTRACTOR, unless specified otherwise in the CONTRACT, shall bear all tax liabilities, duties, Govt. levies etc. including Service tax, Customs Duty, Corporate and Personnel Taxes levied or imposed on the CONTRACTOR on account of payments received by it from the DGH for the work done under this CONTRACT. It shall be the responsibility of the CONTRACTOR to submit to the concerned Indian authorities, the returns and all other concerned documents required for this purpose and to comply in all respects with the requirements of the laws in this regard, in time.

12.4 Customs duty: - The CONTRACTOR shall bear all Customs Duty for import of equipments/spares/consumables and any other material required as per CONTRACT. DGH will not have any liability in this regard.

12.5 Personnel taxes

The CONTRACTOR shall bear all personnel taxes levied or imposed on its personnel, SUB-CONTRACTOR's personnel, vendors, consultants etc. on account of payment received under this CONTRACT. Tax shall be deducted at source as per Indian Tax Laws.

12.6 Corporate taxes

The CONTRACTOR shall bear all Corporate taxes, levied or imposed on the CONTRACTOR on account of payments received by it from the DGH for the work done under this CONTRACT.

12.7 If it is so required by the applicable laws in force at the time of payment, DGH shall withhold from the amount due to the CONTRACTOR and pay to the Indian Tax authorities any tax levied or assessed on account of the CONTRACTOR's operations pursuant to this CONTRACT.

12.8 It is noted that CONTRACT u/s 195 (2) of the Income Tax Act, 1961 for the purpose of deduction of tax at source will be obtained by DGH from the concerned Income Tax authorities in India. In view of the Central Board of Direct Taxes(CBDT)'s notification no 9579 dated 5.8.94 the foreign CONTRACTOR is responsible for filing the returns of their income as well as their SUB-CONTRACTOR's / assignee's including that of their partner in the Joint Venture CONTRACTs (whether Indian or otherwise) and get their assessment completed with the concerned Income Tax authorities in India.

12.9 The employees of such foreign companies/concern/Joint Ventures, their SUB-CONTRACTOR and assignees are also required to file their return of income with the concerned Income Tax authorities in India.

12.10 For the lapse, if any on the part of the CONTRACTOR and consequential penal action taken by the Tax department, the DGH shall not take any responsibility whether financial or otherwise.

13.0 PERFORMANCE

The CONTRACTOR shall undertake to perform all services under this CONTRACT with all-reasonable skill, diligence and care in accordance with sound industry practice to the satisfaction of the DGH and accept full responsibility for the satisfactory quality of such services as performed by them. Any defect, deficiencies noticed in the CONTRACTOR's service will be promptly remedied by the CONTRACTOR within 7 days upon the receipt of written notice from the DGH to improve their performance failing which the DGH may terminate the CONTRACT by giving the CONTRACTOR **14 (fourteen)** days written notice.

14.0 PERFORMANCE BOND

14.1 The Contractor has furnished to DGH a Bank Guarantee No. _____ dated _____ issued by _____ for _____ (being **10 %** of estimated Contract Price for 1st year) valid till _____ towards performance under this CONTRACT. In the event of any extension of the Contract period, Bank Guarantee should be extended by the period equivalent to the extended period of the contract. The bank guarantee will be discharged by DGH not later than 30 days following its expiry.

14.2 In the event CONTRACTOR fails to honour any of the commitments entered into under this agreement and /or in respect of any amount due from the CONTRACTOR to the DGH, the DGH shall have unconditional option under the guarantee to invoke the above bank guarantee and claim the amount from the bank. The bank shall be obliged to pay the amount to the DGH on demand.

15.0 IMPORT AND IMPORT CLEARANCE

All imports and clearance under this CONTRACT shall be done by the CONTRACTOR and DGH will not provide any assistance in this regard.

16.0 DISCIPLINE

CONTRACTOR shall carry out operations hereunder with due diligence and in a safe and workman like manner according to good international oilfield practice. CONTRACTOR shall maintain strict discipline and good CONTRACT among its employees and its SUB-CONTRACTOR's employees and shall abide by and conform to all rules and regulations promulgated by the DGH governing the operations. Should DGH feel that the conduct of any of CONTRACTOR/SUB-CONTRACTOR's employees is detrimental to DGH's interest, the DGH shall have the unqualified right to request for the removal of such employee either for incompetence, unreliability, misbehavior, security reasons etc. while on or off the job. The CONTRACTOR shall comply with any such request to remove such personnel at CONTRACTOR's expense unconditionally. The CONTRACTOR will be allowed a maximum of 7 (seven) working days to replace the person by competent qualified person at CONTRACTOR's cost.

17.0 SAFETY AND LABOUR LAWS

CONTRACTOR shall comply with the provision of all laws including Labour Laws, rules, regulations and notifications issued thereunder from time to time. All safety and labour laws enforced by statutory agencies and by DGH shall be applicable in the performance of this CONTRACT and CONTRACTOR shall abide by these laws.

CONTRACTOR shall take all measures necessary or proper to protect the personnel, work and facilities and shall observe all reasonable safety rules and instructions. DGH's employee also shall comply with safety procedures/policy.

The CONTRACTOR shall report as soon as possible any evidence which may indicate or is likely to lead to an abnormal or dangerous situation and shall take all necessary emergency control steps to avoid such abnormal situations.

17.1 Verification of character and antecedents of Contractual Manpower

In all contracts involving deployment of Contractor's manpower within DGH's premises like plants, offices, installations, rigs, stock yards etc., the Contractor shall submit the following documents to DGH prior to start of work:

- (i) Undertaking from the Contractor that the character and antecedents of the person(s) proposed to be deployed by them is/are impeccable.
- (ii) Undertaking from the Contractor that they have scrutinized the previous working of the person(s) proposed to be deployed by them and there is nothing adverse as regards his/her character and antecedent.

(iii) Along with the above mentioned undertakings, the Contractor will provide certified photocopies of Police verification certificates in respect of persons proposed to be deployed by them, for inspection by the authorized representative of DGH. The Contractor has to obtain Police verification report (signed by an officer equivalent to DSP rank of higher) from the area where the person(s) to be deployed has/have been residing since the last five years. In case the person concerned has not resided at a place for five years at a stretch, Police verification reports should be obtained from that area where the person(s) has/ have stayed earlier during the last five years.

18.0 SECRECY

CONTRACTOR shall during the tenure of the CONTRACT and at anytime thereafter maintain in the strictest confidence all information relating to the work and shall not, unless so authorised in writing by DGH, divulge or grant access to any information about the work or its results and shall prevent anyone becoming acquainted with either through CONTRACTOR or its personnel or authorised SUB-Contractors or agents. CONTRACTOR shall not avail of the information obtained in the course of work hereunder in any manner, whatsoever, nor shall CONTRACTOR divulge any information about the location of the work area of part thereof. CONTRACTOR shall not also destroy any report, note and technical data relating to the work and not required by the DGH. The obligation is continuing one and shall survive after the completion/ termination of this agreement.

19.0 STATUTORY REQUIREMENTS

During the tenure of this CONTRACT nothing shall be done by the CONTRACTOR in contravention of any law, act and/or rules/regulations, there under or any amendment thereof governing inter alia customs stowaways, foreign exchange etc.

20.0 INSURANCE

A) CONTRACTOR shall, at his own expense, arrange appropriate insurance to cover all risks assumed by the CONTRACTOR under this CONTRACT in respect of its personnel deputed under this CONTRACT as well as CONTRACTOR's equipment, tools and any other belongings of the CONTRACTOR or their personnel during the entire period of their engagement in connection with this CONTRACT. DGH will have no liability on this account.

B) Waiver of subrogation: All insurance policies of the CONTRACTOR with respect to the operations conducted hereunder as set forth in **clause 17** hereof, shall be endorsed by the underwriter in accordance with the following policy wording:-

“ The insurers hereby waive their rights of subrogation against any individual, DGH, affiliates or assignees for whom or with whom the assured may be operating to the extent of the Contractual indemnities undertaken by the CONTRACTOR”.

C) Certificate of Insurance: Before commencing performance of the CONTRACT, CONTRACTOR shall upon request furnish DGH with certificates of insurance indicating (1) kinds and amounts of insurance as required herein (2) insurance corporation or companies carrying the aforesaid coverage (3) effective and expiry dates of policies (4) that DGH shall be given thirty (30) days written advance notice of any material change in the policy (5) waiver of subrogation endorsement has been attached to all policies and (6) the territorial limits of all policies. If any of the above policy expire or/ are cancelled during the term of this CONTRACT and CONTRACTOR fails for any reason to renew such policies, then DGH may replace same and charge the cost thereof to CONTRACTOR. Should there be lapse in any insurance required to be carried out by CONTRACTOR hereunder for any reason, losses resulting therefrom shall be to the sole account of the CONTRACTOR. Such insurance shall be effected within Insurance Company incorporated and registered in India or jointly with a Company of International repute and an Insurance Company incorporated and registered in India.

D) Deductible:- That portion of any loss not covered by insurance provided for in this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.

E) CONTRACTOR shall require all of its SUB-Contractors to provide such of the foregoing insurance cover as the CONTRACTOR is obligated to provide under this CONTRACT.

21.0 INDEMNITY AGREEMENT

21.1 INDEMNITY BY CONTRACTOR

Unless otherwise specified elsewhere in this CONTRACT, CONTRACTOR shall indemnify and keep indemnified DGH, its CONTRACTORS (other than the CONTRACTOR) and/or sub-CONTRACTORS and its/their employees from all actions, proceedings, suits, claims, demands, liabilities, damages, losses, costs, charges, expenses (including without limitation, wreck or debris, removal costs, where wreck or debris removal is ordered by a competent authority) judgments and fines arising out of or in the course of or caused by the execution of work under the CONTRACT or other obligations hereunder directly or indirectly associated herewith and or arising from :

a) personal injury, illness or death of :

(i) any of CONTRACTOR's or subCONTRACTOR's personnel (even if caused by or contributed to by the negligence or fault of DGH); and

(ii) subject to clause **21.2 (a) (i)** any other person to the extent the injury, illness or death is caused by the negligence or fault of the CONTRACTOR or CONTRACTOR's personnel or subCONTRACTORS or subCONTRACTOR's personnel and

b) loss or damage to :

(i) any property owned, hired or supplied by CONTRACTOR or CONTRACTOR's personnel or subCONTRACTORS or subCONTRACTOR's personnel including Constructional Plant (even if caused by, or contributed to by, the negligence or fault of DGH); or

(ii) subject to clause **21.2 (b) (i)** any other property to the extent the loss or damage is caused by the negligence or fault of the CONTRACTOR or CONTRACTOR's personnel or subCONTRACTORS or subCONTRACTOR's personnel.

21.2 Indemnity by DGH

Unless otherwise specified elsewhere in this CONTRACT, DGH shall indemnify and keep indemnified CONTRACTOR (which expression in this clause includes, unless the context otherwise requires. SubCONTRACTORS of any tier and their employees) from all actions, proceedings, suits, claims, demands, liabilities, damages, losses, costs, charges, expenses and fines arising from :

a) personal injury, illness or death of

(i) any employee of the DGH (even if caused by or contributed to by the negligence or fault of CONTRACTOR);

(ii) subject to clause **21.1 (a) (i)** any other person to the extent that the injury, illness or death is caused by the negligence or fault of DGH ; and

b) any loss or damage to :

(i) any property owned, hired or supplied by DGH (even if caused by or contributed to by the negligence or fault of CONTRACTOR); except to the extent that such property is in the care or custody of CONTRACTOR in connection with the work under the CONTRACT.

(ii) Subject to clause **21.1 (b) (i)** any loss or damage to any other property to the extent the loss or damage is caused by the negligence or fault of DGH.

22.0 TERMINATION

22.1 Termination on expiry of the CONTRACT

This Agreement shall be deemed to have been automatically terminated on the expiry of the CONTRACT period unless the DGH has exercised its option to extend this CONTRACT in accordance with the provisions, if any, of this CONTRACT.

22.2 Termination on account of force majeure

Either party shall have the right to terminate this CONTRACT on account of Force Majeure, as set forth in **clause 26**.

22.3 Termination on account of insolvency

In the event the CONTRACTOR or its collaborator at any time during the term of this Agreement becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the DGH shall, by a notice in Writing have the right to terminate this CONTRACT and all the CONTRACTOR's rights and privileges hereunder, shall stand terminated forthwith.

22.4 Termination for unsatisfactory performance

If the DGH considers that the performance of the CONTRACTOR is unsatisfactory or, not up to the expected standard, the DGH shall notify the CONTRACTOR in writing and specify in detail the cause of such dissatisfaction. The DGH shall have the option to terminate this Agreement by giving **14 days** notice in writing to the CONTRACTOR, if, CONTRACTOR fails to comply with the requisitions contained in the said written notice issued by the DGH.

22.5 Termination for delay in mobilisation

Successful bidder shall be required to mobilise complete equipment along with crew and collection of data for commencement of services at the specified site within the time period stipulated in the Forwarding Letter of this Bid Document. If the CONTRACTOR (successful bidder) fails to mobilise as above, DGH shall have, without prejudice to any other clause of the CONTRACT, the right to terminate the contract.

22.6 If at any time during the term of the Contract, breakdown of Contractor's equipment results in Contractor being unable to perform their obligations hereunder for a period of 15 successive days, DGH at its option may terminate this Contract in its entirety without any further right or obligation on the part of the DGH except for the payment of money then due. No notice shall be served by the DGH under the condition stated above.

22.7 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the DGH on giving 30 (thirty) days written notice to the Contractor due to any other reason not covered under the above **clause from 22.1 to 22.6** and in the event of such termination the DGH shall not be liable to pay any

cost or damage to the Contractor except for payment for services as per the Contract upto the date of termination.

22.8 In the event of termination of contract, DGH will issue Notice of termination of the contract with date or event after which the contract will be terminated. The contract shall then stand terminated and the Contractor shall demobilise their personnel & materials.

22.9 Consequences of termination

22.9.1 Upon termination of the Contract, Contractor shall return to DGH all of DGH's items, which are at the time in Contractor's possession.

22.9.2 In all cases of termination herein set forth, the obligation of the DGH to pay shall be limited to the period up to the date of termination. Notwithstanding the termination of this Agreement, the parties shall continue to be bound by the provisions of this Agreement that reasonably require some action or forbearance after such termination.

22.9.3 In case of termination of Contract herein set forth, except under **22.1, 22.2 and 22.7**, following actions shall be taken against the Contractor ;

(i) DGH shall conduct an inquiry against the Contractor and consequent to the conclusion of the inquiry, if it is found that the fault is on the part of the contractor, then they shall be put on holiday [i.e. neither any tender enquiry will be issued to such a Contractor by DGH against any type of tender nor their offer will be considered by DGH against any ongoing tender(s) where contract between DGH and that particular Contractor (as a bidder) has not been concluded] for a period of two years from the date the order for putting the contractor on holiday is issued. However, the action taken by DGH for putting that contractor on holiday shall not have any effect on other contract(s), if any with that contractor which shall continue till expiry of their term(s).

(ii) Pending completion of the enquiry process for putting the Contractor on holiday, DGH shall neither issue any tender enquiry to the defaulting Contractor nor shall consider their offer in any ongoing tender.

23.0 SEVERABILITY

Should any provision of this agreement be found to be invalid, illegal or otherwise not enforceable by any court of law, such finding shall not affect the remaining provisions hereto and they shall remain binding on the parties hereto.

24.0 WITHHOLDING

24.1 DGH may at its absolute discretion withhold or nullify its obligations to pay the whole or any part of the amount due to the Contractor on account of subsequently discovered evidence of loss/ damages caused to the DGH by the contractor on account of:

24.1.1 Non-completion of contracted work to the absolute satisfaction of the DGH or its duly appointed representative/agent.

24.1.2 Contractor's un-cleared debt arising out of execution of the Contract.

24.1.3 Defective work not remedied by the Contractor.

24.1.4 Unsettled claims by any of the sub-contractor/s appointed by the Contractor or by any other third party claiming through the contractor or on the basis of any reasonable evidence indicating probable filing of such claims against the Contractor.

24.1.5 Any failure by the Contractor to fully reimburse the DGH in terms of the indemnification provisions of the Contract. Where, during the process of the work, the Contractor allows any indebtedness to accrue for which DGH may be held to be primarily or contingently liable or ultimately responsible for its discharge and where the Contractor fails to pay and discharge such indebtedness, within five days of being called upon to do so, then DGH may during the period for which indebtedness shall remain unpaid, be entitled to with-hold a sum equal to the amount of such unpaid indebtedness. When all the above grounds for withholding payments are removed, the payments shall thereafter be made for amounts so withheld.

24.1.6 Withholding will also be effected on account of the following :-

- (i) Garnishee order issued by a Court of Law in India.
- (ii) Income tax deductible at source according to Law prevalent from time to time in the country.
- (iii) Any obligation of Contractor which by any Law prevalent from time to time to be discharged by DGH in the event of Contractor's failure to adhere to such Laws.
- (iv) Any payment due from Contractor in respect of any unauthorized imports.

25.0 CHANGE IN LAW

25.1 In the event of introduction of any new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in increased cost of the works under the CONTRACT through increased liability of taxes, (other than personnel and Corporate taxes), duties, the CONTRACTOR shall be indemnified for any such increased cost by the DGH subject to the production of documentary proof to the satisfaction of the DGH to the extent which directly is attributable to such introduction of new legislation or change or amendment as mentioned above and adjudication by the competent authority & the courts wherever levy of such taxes / duties are disputed by DGH.

25.2 Similarly, in the event of introduction of new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in any decrease in the cost of the works through reduced liability of taxes, (other than personnel and Corporate taxes) duties, the CONTRACTOR shall pass on the benefits of such reduced cost, taxes or duties to the DGH, to the extent which is directly attributable to such introduction of new legislation or change or amendment as mentioned above.

25.3 All duties, taxes (except where otherwise expressly provided in the Contract) as may be levied / imposed in consequences of execution of the Works/Services or in relation thereto or in connection therewith as per the Acts, Laws, Rules, Regulations in force on the date of submission of Price Bid or revised price bid, if any, for this CONTRACT shall be to CONTRACTOR's account. Any increase / decrease in such duties, taxes after the date of submission of price bid or revised price bid, if any, but within the contractual completion / mobilization date as stipulated in the CONTRACT will be to the account of DGH.

25.4 Any increase in the duties and taxes after the contractual completion / mobilization date during the extended period will be to the contractor's account, where delay in completion /mobilization period is attributable to the CONTRACTOR. However, any decrease of duties and taxes after the contractual completion / mobilization date will be to DGH's account.

25.5 The Contract Price and other prices given in the Price Format are based on the applicable tariff as indicated by the CONTRACTOR in the Price Format. In case this information subsequently proves to be wrong, incorrect or misleading, DGH will have no liability to reimburse/pay to the CONTRACTOR the excess duties, taxes, fees, if any finally levied / imposed by the concerned authorities. However, in such an event, DGH will have the right to recover the difference in case the rate of duty/tax finally assessed is on the lower side.

25.6 Notwithstanding the provision contained in clause **25.1 to 25.4** above, the DGH shall not bear any liability in respect of :

- (i) Personal taxes on the personnel deployed by CONTRACTOR, his sub-contractor / sub-sub contractors and Agents etc.
- (ii) Corporate taxes and Fringe benefit tax in respect of contractor and all of their sub-contractors, agents etc.
- (iii) Other taxes & duties including Customs Duty, Excise Duty and Service Tax in addition to new taxes etc. in respect of sub-contractors, vendors, agents etc of the CONTRACTOR.

26.0 FORCE MAJEURE

In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under the CONTRACT, the relative obligation of the party affected by such Force Majeure shall be suspended for the period during which such cause lasts.

For the purpose of this contract, the term Force Majeure means any cause or event, other than the unavailability of funds, whether similar to or different from those enumerated herein, lying beyond the reasonable control of, and unanticipated or unforeseeable by, and not brought about at the instance of, the Party claiming to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for, and which has caused the non performance or delay in performance. Without limitation to the generality of the foregoing, the term Force Majeure shall include natural phenomenon or calamities, earth quakes, typhoons, fires, wars declared or undeclared, hostilities, invasions, blockades, riots, strikes, insurrection and civil disturbances but shall not include unavailability of funds.

Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing, the beginning of the cause amounting to Force Majeure as also the ending of the said cause by giving notice to the other party within 72 hours of the beginning and the ending of the cause respectively. If deliveries are suspended by Force Majeure conditions lasting for more than 2 (two) months, DGH shall have the option of canceling this CONTRACT in whole or part at its discretion without any liability at its part.

The Party asserting the claim of Force Majeure shall have the burden of proving that the circumstances constitute valid grounds of Force Majeure and that such party has exercised reasonable diligence and efforts to remedy the cause of any alleged Force Majeure.

Time for performance of the relative obligation suspended by Force Majeure shall then stand extended by the period for which such cause lasts.

27.0 EMPLOYMENT BY FIRMS TO OFFICIALS OF DGH

Firms/companies who have or had business relations with DGH are advised not to employ serving DGH employees without prior permission. It is also advised not to employ ex-personnel of DGH within the initial two years period after their retirement/resignation/severance from the service without specific permission of DGH. The DGH may decide not to deal with such firm(s) who fail to comply with the above advice.

28.0 PREFERENCE TO LOCAL COMPANIES

CONTRACTOR agrees to give priority and preference to locally owned companies, when hiring Sub CONTRACTOR, SUBJECT TO price, quality and delivery being equivalent.

29.0 JURISDICTION AND APPLICABLE LAW

This Agreement including all matters connected with this Agreement, shall be governed by the laws of India (both substantive and procedural) for the time being in force and shall be subject to exclusive jurisdiction of the Indian Courts (the place where the CONTRACT is signed in India). Foreign companies, operating in India or entering into Joint ventures in India, shall have to obey the law of the Land and there shall be no compromise or excuse for the ignorance of the Indian legal system in any way. Foreign companies, operating in India or entering into joint ventures in India, shall have to obey the law of the land and there shall be no compromise or excuse for the ignorance of the Indian Legal System in any way.

30.0 SETTLEMENT OF DISPUTES AND ARBITRATION

30.1 Except as otherwise provided elsewhere in the contract, if any dispute or difference arises between the parties hereto or the respective representatives or assignees at any time in connection with operation, interpretation or out of CONTRACT or breach thereof shall be decided in accordance with Indian Arbitration and Conciliation Act, 1996 by an Arbitral Tribunal consisting of three arbitrators. Each party shall appoint one arbitrator and the Arbitrators so appointed shall appoint third arbitrator, who shall act as the presiding arbitrator.

30.2 In case a party fails to appoint an arbitrator within 30 days from the receipt of request to do so by the other party or the two arbitrators so appointed fail to agree on the appointment of the third arbitrator within 30 days of the appointment of second Arbitrator, the Chief Justice of Supreme Court/High Court as the case may be or any other person or institution designated by him within whose jurisdiction the subject CONTRACT has been made, shall appoint the arbitrator/presiding arbitrator upon request of any of the parties.

30.3 If any of the arbitrators so appointed dies, resigns, incapacitated or withdraws for any reasons from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both the parties agree for the same and otherwise he shall proceed de-novo.

30.4 It is agreed between the parties that the party invoking arbitration shall specify all disputes to be referred to arbitration at the time of invocation of arbitration and not thereafter.

30.5 It is also agreed between the parties that neither party to the arbitration shall be entitled to the interest on the amount of award.

30.6 The Arbitral tribunal shall give a reasoned award and the same shall be final, conclusive and binding on the parties.

30.7 The venue of the arbitration shall be New Delhi, India and shall be conducted in English language. The Courts in Delhi will have the jurisdiction to deal with such arbitration award if required.

30.8 The fees of the arbitrators shall be borne by the respective parties nominating them and the fee of the presiding arbitrator, cost and other expenses incidental to the arbitration proceedings shall be borne equally by the parties. Subject to aforesaid, the provisions of Indian Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment in lieu thereof shall apply to the arbitration proceedings under this clause.

31.0 CONTINUANCE OF THE CONTRACT

Notwithstanding the fact that settlement of dispute(s) (if any) under arbitration may be pending, the parties hereto shall continue to be governed by and perform the work in accordance with the provisions under this CONTRACT.

32.0 INTERPRETATION

The titles and headings of the sections in this CONTRACT are inserted for convenient reference only and shall not be construed and limiting or extending the meaning of any provisions of this CONTRACT.

33.0 PATENT INDEMNITY

33.1 The CONTRACTOR shall, subject to the DGH's compliance with Sub-Clause below, indemnify and hold harmless the DGH and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the DGH may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:

- a) the installation of the Items by the CONTRACTOR or the use of the Items in the country where the Site is located; and
- b) the sale in any country of the products produced by the Items.

Such indemnity shall not cover any use of the Items or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, neither any infringement resulting from the use of the Items or any part thereof, or any products produced thereby in association or combination with any other equipment, plant, or materials not supplied by the CONTRACTOR, pursuant to the Contract.

33.2 If any proceedings are brought or any claim is made against the DGH arising out of the matters referred to in GCC above Sub-Clause, the DGH shall promptly give the CONTRACTOR a notice thereof, and the CONTRACTOR may

at its own expense and in the DGH's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

33.3 If the CONTRACTOR fails to notify the DGH within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the DGH shall be free to conduct the same on its own behalf.

33.4 The DGH shall, at the CONTRACTOR's request, afford all available assistance to the CONTRACTOR in conducting such proceedings or claim, and shall be reimbursed by the CONTRACTOR for all reasonable expenses incurred in so doing.

33.5 The DGH shall indemnify and hold harmless the CONTRACTOR and its employees, officers, and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the CONTRACTOR may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the DGH.

34.0 INDEPENDENT CONTRACTOR STATUS:

The CONTRACTOR shall act as an independent contractor performing the CONTRACT. The Contract does not create any agency, partnership, joint ventures or joint relationship between the parties.

Subject to all compliance with the CONTRACT, the CONTRACTOR shall be solely responsible for the manner in which works are performed. All employees, representatives or sub-CONTRACTORS engaged by the CONTRACTOR in performing the CONTRACT shall be under the complete control of the CONTRACTOR and shall not be deemed to be employees of the DGH and nothing contained in the CONTRACT or in any sub-CONTRACT awarded by the CONTRACTOR shall be construed to create any contractual relationship between any such employees or representative or Sub-CONTRACTOR and the DGH. CONTRACTOR shall be responsible for the acts, defaults or negligence of the CONTRACTOR, his agencies, servant or workmen.

35.0 EXPORT/RE-EXPORT CONTROL RESTRICTIONS:

In case there are certain export / re-export control restrictions imposed by parent country of the Contractor(s) w.r.t. the items (i.e. goods, equipment, services, or technology) offered by them to DGH regarding their end use or the end user or regarding their usage in certain other countries, then the Contractor can intimate about same while quoting in the DGH's tender(s). Such intimation by the Contractor about the items (i.e. goods, equipment, services, or technology) being covered under export control regulations will not lead to rejection of the offer(s) in

DGH's tenders. Further, in case of award of Contract on such bidder(s), it should be stipulated therein that the items (i.e. goods, equipment, services, or technology) being procured against this CONTRACT would be used by DGH for exploration and exploitation of hydrocarbons in India only. However, if for any reasons whatsoever the end use or end user of these items are required to be changed or if these goods are to be taken for use in countries out side India, then DGH would request the Contractor to obtain consent from the concerned authority in their country.

36.0 LIMITATION OF LIABILITY

Notwithstanding any other provisions, except only in cases of willful misconduct and / or criminal acts,

- a) Neither the Contractor nor DGH shall be liable to the other, whether in Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided however that this exclusion shall not apply to any obligation of the Contractor to pay Liquidated Damages to the DGH and
- b) Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under the Contract, in tort or otherwise, shall not exceed Contract Price, provided however that this limitation shall not apply to the cost of repairing or replacing defective equipment by the Contractor, or to any obligation of the Contractor to indemnify the DGH with respect to Intellectual Property Rights.
- c) DGH shall indemnify and keep indemnified Contractor harmless from and against any and all claims, costs, losses and liabilities in excess of the aggregate liability amount in terms of clause (b) above.

In witness whereof, the parties hereto have executed this Agreement as of the day and year first above written.

Signed, Sealed and Delivered,

For and on behalf of

Directorate General of Hydrocarbons(DGH)

For and on behalf of Contractor

M/s. _____

Name:

Name:

Status:

Status:

In presence of

In presence of

1.

1.

2.

2.

Appendix – 1 to Annexure - IIIA

Proforma of Bank Guarantee towards Performance Security.

PERFORMANCE GUARANTEE

Ref. No. Bank Guarantee No. Dated.

To,

Directorate General of Hydrocarbons,
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.

Dear Sirs,

1. In consideration of Directorate General of Hydrocarbons, having its Office at OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India, (hereinafter referred to as 'DGH', which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assignees) having entered into a CONTRACT No. _____ dated _____ (hereinafter called 'the CONTRACT' which expression shall include all the amendments thereto) with M/s _____ having its registered/head office at _____ (hereinafter referred to as the 'CONTRACTOR') which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) and DGH having agreed that the CONTRACTOR shall furnish to DGH a performance guarantee for Indian Rupees/US\$ for the faithful performance of the entire CONTRACT.

2. We (name of the bank) _____ registered under the laws of _____ having head/registered office at _____ (hereinafter referred to as "the Bank", which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay immediately on first demand in writing any /all moneys to the extent of Indian Rs./US\$ (in figures) _____ (Indian Rupees/US Dollars (in words) _____) without any demur, reservation, contest or protest and/or without any reference to the CONTRACTOR. Any such demand made by DGH on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any Court, Tribunal, Arbitrator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by DGH in writing. This

guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the CONTRACTOR and shall remain valid, binding and operative against the bank.

3. The Bank also agrees that DGH at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the CONTRACTOR and notwithstanding any security or other guarantee that DGH may have in relation to the CONTRACTOR's liabilities.

4. The Bank further agrees that DGH shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said CONTRACT or to extend time of performance by the said CONTRACTOR(s) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in DGH against the said CONTRACTOR(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said CONTRACTOR(s) or for any forbearance, act or omission on the part of DGH or any indulgence by DGH to the said CONTRACTOR(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the CONTRACT and all dues of DGH under or by virtue of this CONTRACT have been fully paid and its claim satisfied or discharged or till DGH discharges this guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of DGH or that of the CONTRACTOR.

7. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

8. The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the purchase CONTRACT has been placed.

9. Notwithstanding anything contained herein above, our liability under this Guarantee is limited to Indian Rs./US\$ (in figures) _____ (Indian Rupees/US Dollars (in words) _____) and our guarantee shall remain in force until _____.(indicate the date of expiry of bank guarantee).

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of DGH under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of DGH under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorised officer has set its hand and stamp on this day of20__ at

WITNESS NO. 1

(Signature)
Full name and official
address (in legible letters)

(Signature)
Full name, designation and
address (in legible letters)
with Bank stamp

Attorney as per power of
Attorney No.....
Dated

WITNESS NO. 2

(Signature)
Full name and official
address (in legible letters)

INSTRUCTIONS FOR FURNISHING PERFORMANCE GUARANTEE

1. Foreign bidders will give guarantee either in the currency of the offer or US \$ (US Dollar) i.e. Indian Rs/US \$ have been mentioned only for illustration. Therefore, in case where bank guarantee is being given in currency other than 'Rupees' or U.S.\$, indicate the relevant currency of the offer.
2. The expiry date as mentioned in clause 9 should be arrived at by adding 90 days to the CONTRACT completion date unless otherwise specified in the bidding documents.

SPECIAL CONDITIONS OF THE CONTRACT.

1.0 PAYMENT TERMS

The Contractor shall raise bill in two copies on completion of job, for release of payment. DGH will try to release the payment of such bills within 30 days from its receipt. In case of any discrepancy in bills, the same will be notified to the Contractor for clarification. DGH may consider progressive payment amounting to not more than 20 % each at the end of the first 2 (two) deliverables and balance on successful completion of the final deliverable.

2.0 DELAY IN TIMELY COMPLETION OF WORK AND LIQUIDATED DAMAGES

a) CONTRACTOR (successful bidder) shall complete the scope of work within the stipulated period under the contract **for various deliverables as given in the scope of work.**

b) If the CONTRACTOR fails to complete the scope of work within the stipulated period, DGH shall have, without prejudice to any other provisions in the contract including sub **clause (c)** below, the right to terminate the contract.

c) If the contractor is unable to complete the scope of work within the stipulated period, it may request DGH for extension of the time with unconditionally agreeing for payment of LD. Upon receipt of such a request, DGH may at its discretion, extend the period of job completion and shall recover from the contractor, as an ascertained and agreed Liquidated Damages, a sum equivalent to 1/2 % of contract value of each Phase, for each week of delay or part thereof, subject to a maximum of 10 %.

d) The parties agree that the sum specified above is not a penalty but a genuine pre-estimate of the loss/damage which will be suffered by DGH on account of delay/breach on the part of the CONTRACTOR and the said amount will be payable without proof of actual loss or damage caused by such delay/breach.

**SCOPE OF WORK FOR THE CONSULTANT TO BE HIRED FOR
PETROLEUM INDUSTRY PRACTICES**

1.0 Study on Good International Petroleum Industry Practices

1.1 In India, the oil and gas Exploration and Production (E&P) activities are being carried out under Production Sharing Contract (PSC) regime. PSC prescribes adoption of Good International Petroleum Industry Practices (GIPIP) in carrying out petroleum operations efficiently, safely and in an environmentally sustainable fashion. The standards could be of API, SPE, WPC etc.

1.2 A need is felt to identify areas requiring codification of GIPIP and suggest specific guidelines in conformance with the best international practices/norms and applicable standards/legislations and prevalent regulatory regime. These guidelines should help to formulate national codes for petroleum operations. Such a study should cover all activities involved in the life cycle of any contract area starting from Exploration to Production to Site Restoration

2.0 Scope of Work for the Consultant to be appointed by DGH for the standing Committee on Petroleum Industry Practices.

1. Exploration
 - a) Geophysical Surveys-Best Practices
 - i. 2D API, 3D API, HR-3D, HD-3D, Gravity and Magnetic data, Geochemical Sampling, Aeromagnetic data
 - b) G&G-Best Practices
Geological model (reservoir wise) comprising of
 - i. Petro-physical parameters-log derived and laboratory data derived
 - ii. Well log correlations
 - iii. Geological maps (porosity, thickness, saturation, fluid contacts, boundary/faults)
 - iv. Resource/reserve estimation
 - v. 3D volumes/computer modeling
 - vi. Heterogeneous 4D surveys to be invariably carried out to locate by-passed oil, if any.
 - c) Global Oilfield practices for the alternate/ substitute data types against the contract committed data types of the Minimum Work Program (MWP) bid by the contractor
 - d) Procedure for calculating cost of Unfinished Work Program

- e) Standard guidelines, if any, on the type of tapes/ media for the Operators to submit their acquired/ processed/ interpreted data.
 - f) Choice of Accounting System (Successful Efforts, Full Cost)
 - g) If there is any standard practice worldwide for sending the geophysical data abroad online for processing/ interpretation
 - h) Drilling- Best Practices
 - i. Defining attainment of exploration objective during exploratory drilling
 - ii. Applicability of IADC, API , IWCF guidelines
 - iii. Type of drilling –Vertical, Inclined, Horizontal, Multilateral, Casing Policy, Cementing Policy, Mud Policy, LWD/MWD
 - iv. International definition of “Basement”
 - i) How popular is the phenomenon of “Stopping the clock internationally”?
 - j) Data acquisition of adjoining areas to get a better understanding of regional geology.
 - k) Continued Exploration throughout the life of PSC.
 - l) Work Program approval process and best practices with respect to bid, budgeted and actual cost in PSC regime.
2. Discovery
- a) Norms for area demarcation for Development, Discovery and Mining Lease
 - b) Norms for declaration of “Discovery”, “Commercial Discovery” and “Potential Commercial Interest (PCI)” and its acceptance by regulators.
 - c) International norms for well flow tests such as DST and any other test procedures in open hole, cased hole, gravel pack, frac pack required for evaluating or approving the “discovery”.
 - d) Standard activities usually conducted between hydrocarbon discovery and Declaration of Commerciality (DoC).
 - e) How to reduce timelines between discovery (ies) to delivery period (commercial production)?
 - f) Best practices on maximum time allowed to the contractor to retain the discovery area for discoveries not monetized.
3. Appraisal
- a) Codification of International best practices regarding various methods of appraisal considering the extent of reservoir, hydrodynamic systems and connectivity, different fault blocks.
 - i. Is an Appraisal program always required?
 - b) Whether during appraisal of a discovery, the Contractor can explore other reserves/pools?

- c) Can the contractor take up drilling of appraisal/exploration wells during Pre-development period for further improved understanding of resources, which helps in better development plan?
- d) Are pre-development activities like sea bed surveys (geophysical, geo-mechanics and geo-hazards studies) / FEED required / permissible / possible during appraisal period / post Declaration of Commerciality (DOC)?

4. Declaration of Commerciality (DoC)

- a) Data requirement at the time of submission of DoC, Field Development Plan (FDP) ,viz. Drilling,exploration and Pre-development proposals which is comprehensive and transparently known to operator and approving body in advance so that the entire dataset is submitted in single instance
- b) Strategy for allowing DoCs on ‘point forward basis’ or ‘sunk cost consideration’ in case of small reserves for exploiting marginal fields, which are otherwise not economically viable.
- c) Internationally available guidelines for classification and evaluation of resource and reserve estimates and auditing
- d) What are the ranges of technologies that constitute ‘Reliable Technology’ to establish reserves with ‘Reasonable Certainty’ under SEC criteria? How do these criteria relate to IFRS reporting, SPE/WPC –PRMS and Russian, Canadian or Norwegian reserve classification?

5. Field Development

- a) Practices regarding exploitation/development of reservoir and mid-course correction for onland, shallow water, deep water and ultra-deep water fields.
 - i. International norms for monetization of reserves in probable & possible categories.
 - ii. Is implementation of Improved Oil Recovery/ Enhanced Oil Recovery techniques mandatory?
 - iii. To encourage EOR activities on mature fields, should government’s enacted special incentives be given to encourage investment?
 - iv. Is a minimum ultimate recovery specified by any regulations/ authorities – international norms?
- b) Practices for prompt and orderly field development
- c) Preparation of plans for joint/integrated development and operation for several discoveries
- d) Best practices on Unitization of discoveries in adjacent blocks

6. Production

- a) International practices for submitting long term production profile and medium term production forecast and mid-course changes

- b) Issues related to underproduction and overproduction from FDP approved production profile and suggested remedial measures based on international best practices
- c) Standards on Well Completion requirements including deep water and ultra-deep water well completion strategies.
 - i. Completion Strategy: Self flow wells, Artificial Lift wells (SRP, ESP, PCP, GLV, Plunger Lift)
 - ii. Best practices on sand control measures – gravel pack, frac-pack etc.
 - iii. Best practices for well completions and equipments and material selections for sour services (H₂S) and higher CO₂ contents for oil/gas fields.
- d) Best practices on Work over: well interventions and stimulations, especially deepwater well intervention, hydraulic and acid fracturing.
- e) Best practices on facility: Onshore/Offshore/deep water/ultra-deep water facilities-collection, separation, processing, storage, compression, evacuation, effluent disposal
- f) Quantity and quality measurement - oil, gas, water – applicable standards and best practices for measurement of petroleum
 - i. Hydrocarbon Delivery Point for sales- International norms
 - ii. International practice for reconciliation between petroleum produced & saved and petroleum sold.
- g) Best practices for production, measurement and allocation in case of simultaneous production of different hydrocarbons (oil/gas, CBM, shale oil/gas) from the same wells or different wells in the same field.
- h) Transportation of oil/gas/water- by tanker, pipeline – best practices
- i) Well Production and Reservoir Pressure Performance reporting and evaluation practices
 - i. Influx studies, PVT studies
 - ii. Fluid properties and composition- oil, gas, water
 - iii. Guidelines for reservoir management for optimum exploitation rate and maximum recovery of reserves.
- j) Best practices for testing individual production wells , especially sub-sea wells
 - i. Norms for Extended Well Testing (EWT)and disposal of oil/gas during testing periods.
- k) International norms of gas flaring
- l) Best practices on sourcing and storage of water for fracturing, disposal of produced and flow back waters.
- m) Best practices to reduce environmental footprints by adopting drilling strategies in limited land areas

7. Testing, Analysis- Reservoir, Production-Best Practices
 - a) Core studies and special core analysis
 - b) Conventional- decline curve analysis
 - c) Simulation model generated

8. Health, Environment & Safety (HSE) / Abandonment
 - a) Best HSE practices in petroleum operations. Do's and Don'ts in conducting each and every petroleum activity / operation to minimize the risk of Environmental Damage.
 - b) International timelines for various permissions related to environment clearances.
 - c) Preparation of Contingency Plans, Emergency Response Plan (ERP) and Disaster Management Plan (DMP) for Oil spills, Fires, Blow-outs, Accidents and Emergencies in accordance with International practices.

9. Procurement procedure
 - a) Contracts provide some guidelines for procurement. How much flexibility should be there for allowing the operator for purchasing something or some service on nomination basis? Is it possible to have a global data bank to have fair idea about the approximate market price of various items before allowing a purchase on nomination basis?
 - b) Standardization and ways of compliance of procurement procedures (Appendix-F of PSC) to the mutual benefit of the parties.

10. Others Areas
 - a) International requirements for reporting of details of E&P activities to ensure ethical operations / share market compliance.
 - b) Sharing of Infrastructure:
 - i. What are the typical contractual mechanisms and fee/tolling arrangements to share third party infrastructure?
 - ii. How third party infrastructure was introduced and promoted in key hydrocarbon provinces?
 - c) Are there certain unidentified gaps and ambiguities in the Indian PSCs / Contracts?
 - d) International norms for insurance for petroleum operations taken by contractor to provide for his liabilities and indemnify the Government
 - e) Global best practices for accounting procedures; inventories and records of assets.
 - f) Global norms for information security for E&P industry
 - g) Standards for IT and Data Management infrastructure.
 - h) Dispute resolution process

- i) Practices regarding obligations of Govt. / Regulator in contract management.
- j) Enabling regulations for unconventional hydrocarbons
- k) General Guidelines on Tight Oil/Gas, CBM, Shale oil/gas exploration and exploitation strategies
- l) Practices for extension of PSCs to extract maximum oil/gas for importing countries.
- m) Best practices of the governing bodies of different fiscal regimes (like management committee in Indian PSC).
- n) If subsequent to the award of contract, access to the area is restricted due to any reason, what are the best practices relating to rights and responsibility of contractor?

11. Study

- a) Study of the available and applicable rules / regulations / guidelines in Indian E&P sector- viz.
 - i. Oil Fields (Regulation and Development) Act 1948 and its amendments
 - ii. Petroleum Act 1934 and its amendments
 - iii. Petroleum and Natural Gas (Safety in Offshore Operations) Rules 2008 and its amendments
 - iv. The Oil Industry (Development) Act 1974 and its amendments
 - v. The Petroleum and Natural Gas Rules 1959 and its amendments
 - vi. The Petroleum Rules 2002 and its amendments
 - vii. The Oil Mines Regulations under Mines Act 1952 and other compliances of Directorate General of Mines Safety requirements as per OMR 1984.
 - viii. Rules / Standards / Guidelines of Oil Industry Safety Directorate
 - ix. Ministry of Environment & Forest guidelines
 - x. Any other applicable Rules / Standards / Guidelines

Note:

1. Consultant has to also specify the areas where such codification is already there and also the areas where no codes are there/can't be formulated.
2. Consultant should also specify whether these guidelines are taken from a net importing or exporting country.
3. Consultant should specify the source of any recommendation put in the report viz. Codes/rules/company policy etc.

3.0 Deliverables of the report:

3.1 The appointed consultant will submit interim reports in 4 phases so that the committee can review such and revert back to consultant, if necessary for finalization. The phases will be as per the scope of work which will be defined in the tender and are as under:

- a) Interim report on Exploration(till Declaration of Commerciality)
- b) Interim report on Production (including FDP, Testing, HSE)
- c) Interim report on the remaining issues (procurement, other areas and study)
- d) Presentation before the Standing Committee and then submission of Final report by the consultant covering entire scope of work.

3.2 The report(s) will be submitted in MS word format (editable format) and also in PDF format. Further, the final report will also be submitted as 15 hard bound copies.

4.0 Time Duration of Report:

4.1 The maximum time duration for the consultant would be 6 (six) months from the Letter of Award (LoA), to submit the compendium of good practices for Indian E&P sector taking into account the philosophies applied across different operating environments and license regimes in the International Industry.

The timeline for various deliverables will be as under:

Sl	Deliverables	Time from LoA
1	Interim reports on (i) Exploration(till Declaration of Commerciality), (ii) Production (including FDP, Testing, HSE) & (iii) the remaining issues (procurement, other areas and study)	4 months from LoA
2	Presentation before the Standing Committee	5 months from LoA
3	Final report covering entire scope of work.	6 months from LoA

ANNEXURE -V**PRICE FORMAT**

Tender No.		Currency of Quote: _____
Sl	Description	Lump sum Price
1	Lumpsum Charges for the Consultancy as per Scope of Work in Annexure - IV	

NOTES:

1. Rate is inclusive of Service tax _____%. (Not applicable to foreign bidders who do not have a permanent establishment in India)
2. The prices are inclusive of all taxes, levies, duties etc. However, in case of foreign bidders who do not have any permanent establishment in India, Service Tax will be borne by DGH. However, at the time of evaluation, Service Tax as applicable shall be loaded on the portion of services which attract Service Tax. In case the Bidder does not give break-up of the quoted prices, indicating the components of taxable services separately, the Service Tax will be loaded on entire quoted / Contract value for evaluation.
3. The contract price is inclusive of all traveling expenses including both overseas and domestic and boarding & lodging charges. No other payment on any score whatsoever will be payable by DGH.
6. The contract price is inclusive of Indian Agency Commission, if any, in case of Foreign Bidders. It is included @ _____% in the total price.

Authorised Person's Signature: _____**Name: _____****Designation: _____**