



ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्योग) पंजीकृत कार्यालय: दुर्गापुर, असम
Oil India Limited
(A Government of India Enterprise) Registered Office: Duliajan, Assam

**Materials Department
(Rajasthan Project)**

12 Old Residency Road
Jodhpur – 342 011
Rajasthan, India.
Phone -0291-2438174
Fax : 0291-2431689
Email: mat_rp@oilindia.in

FORWARDING LETTER

Tender No. : JCO 8084 L11

List of parties to whom the tender has been issued-

1. M/s. Baker Hughes, Mumbai
2. M/s. Weatherford Oil Tools Middle-East Ltd. Mumbai
3. M/s. Halliburton, Mumbai
4. M/s. Schlumberger Asia Services Ltd., Gurgaon

Sirs,

Sub : Consultancy Services for Extraction of Heavy Oil from Baghewala Field (Pilot Well #2)

Oil India Limited (OIL) invites sealed competitive Bids (ICB) under single stage two bid system from internationally reputed consultancy firms for Hiring of Integrated Consultancy Services towards extraction of high viscous Heavy Oil through CSS process from its Baghewala field in Rajasthan (India) by drilling a high angle deviated well (pilot experimentation in Jodhpur-Bilara formation) including on-site job supervision by various Experts of Consultant. In connection with above, we enclose a complete set of Bid Document covering the details.

For your ready reference, few salient features (Covered in details in this bid document) are highlighted below.

- | | |
|--|---|
| i) OIL's Tender No. | : JCO 8084 L11 dated 25.05.2010 |
| ii) Type of Bid | : Single Stage Two Bid System (ICB) |
| iii) Pre-Bid Conference
(OIL's office at Jodhpur) | : 11:30 hrs. (IST) on 15th June, 2010 |
| iv) Bid Closing Date & Time | : To be decided after the Pre-bid Conference. |
| v) Bid Opening (Technical) Date & Time | : To be decided after the Pre-bid Conference. |
| vi) Bid Opening Place | : Office of the Chief Manager (M&C)
at Jodhpur |

- vii) Place of Submission of Bids : OIL INDIA LIMITED,
12, Old Residency Road,
JODHPUR - 342 011,
RAJASTHAN (INDIA).
- viii) Amount of Bid Security : Rs. 6,72,000.00
- ix) Amount of Performance Security : 7.5 % of the Estimated Agreement Value
- x) Amount of Liquidated Damage for default in timely execution. : Liquidated Damages shall be applicable @ 0.5% of the estimated agreement value of activities for delay in submission of Reports per week or part thereof, subject to maximum of 7.5%.
- xi) Duration of Contract : Should be about 146 weeks approx. from the date of award of contract by Company.

We now look forward to receiving your most competitive offer in line with the tender terms well within the bid closing date and time.

Thanking You

Yours faithfully,
OIL INDIA LIMITED

(*P. DAS*)
CHIEF MANAGER (M&C)
FOR EXECUTIVE DIRECTOR (RP)

SECTION – I

INSTRUCTIONS TO BIDDERS

A. INTRODUCTION :

1.0 DESCRIPTION OF PROJECT

1.1 Rajasthan Project of Oil India Limited (OIL), a Govt. of India Enterprises, is engaged in exploration and production of Natural Gas from the Jaisalmer Basin and exploration for heavy oil/Bitumen in Bikaner-Nagaur Basin of Western Rajasthan in India. In addition, the Company is carrying out various exploration activities in Rajasthan (India) in three (03) NELP Blocks as Operator under PSC agreement with Govt. of India. The Project Office is situated at 12, Old Residency Road, Jodhpur – 342 011, Rajasthan and is well connected with road, rail and air.

1.2 Company has discovered Heavy Oil and Bitumen from its Baghewala Field in Bikaner-Nagaur Basin in 1991. Company now intends to implement a Pilot Project through drilling of a high angle deviated well for experimental production of this heavy oil from Jodhpur & Bilara reservoirs of Baghewala Field. In connection with above, this Invitation for Bid is issued for hiring of Integrated Consultancy Services including on-job association of various related Experts at site during its implementation.

2.0 PRE-BID CONFERENCE

2.1 In order to clarify bidder's queries on this bid document and enable them to understand the exact requirements of the Company, a pre-bid conference will be held on the date and venue mentioned in the forwarding letter. Bidders interested to attend the pre-bid conference should intimate at least three days before the conference to the Chief Manager (M & C), Oil India Limited, 12-Old Residency Road, Jodhpur-34211 (Rajasthan), India, confirming the number of participants on their behalf.

2.2 Representatives of the prospective bidder shall be allowed to attend the pre-bid conference on submission of their authorization letters.

2.3 The bidders attending the pre-bid conference shall bear all their related expenditures. Company will not reimburse such costs under any circumstance.

3.0 COST OF BIDDING

The bidder shall bear all costs associated with preparation and submission of its Bids, and OIL INDIA LIMITED, hereinafter referred to as "Company", will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

4.0 SECRECY OF BID DOCUMENT

Bidders shall not disclose the Bid document or any contents thereof, or any specification, plan drawing, pattern, information furnished by or on behalf of Company in connection therewith, to any person(s) other than a person employed by the Bidder, without prior permission of the Company. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary.

B. THE BID DOCUMENTS :

5.0 BID DOCUMENT

5.1 The services required, bidding procedures and contract terms are prescribed in the Bid Document. This Bid document includes the followings:-

- a) A Forwarding Letter highlighting the following points:-
 - i) Tender Number of Oil India Ltd
 - ii) Bid closing date and time
 - iii) Bid opening date, time and place
 - iv) Place for submission of Bid
 - v) The amount of Bid security
 - vi) The amount of performance guarantee
 - vii) Quantum of liquidated damages for default in time execution
- b) Instructions to Bidders (Section-I)
- c) General Terms & Conditions of Contract (Section-II)
- d) Special Terms & Conditions of Contract (Section-III)
- e) Scope of Works/Terms of Reference/Technical Specification (Section-IV)
- f) Bid Form and Price Schedule (Section-V)
- g) Bid Rejection Criteria/Bid Evaluation Criteria (Section-VI)
- h) The Bid Security Form (Section-VII)
- i) The Performance Security Form (Section-VIII)
- j) The Contract Form (Section-IX)

5.2 The bidder is expected to examine all instructions, forms, terms and specifications in the Bid Document. Failure to furnish all information required by the Bid Document or submission of a Bid not substantially responsive to the Bid Document in every respect will be at the Bidder's risk and responsibility and may result in the rejection of its Bid.

6.0 CLARIFICATIONS ON THE BID DOCUMENT

In order to clarify bidders' queries and enable them to understand the exact requirement of Company, a pre-bid conference (ref. para 2.0 above) will be held before the schedule technical bid closing date. However, bidders requiring clarifications on the Bid Document may also notify Company, in writing, at Company's mailing address indicated in the Forwarding letter. Company will respond in writing only to requests for clarifications on the Bid Document, which it receives not later than seven (7) days prior to the deadline for the submission of Bid prescribed by Company.

7.0 AMENDMENTS TO THE BID DOCUMENT

7.1 At any time prior to the deadline for submission of Bids, Company may, for any reason, whether at its own initiative or in response to a clarification(s) requested by a prospective bidder, modify the Bid Document through an amendment. Such amendments, if any, will be communicated in writing or by FAX or E-mail to the bidders and the same will be binding on them.

7.2 In order to allow the bidders reasonable time in which to take amendment into account in preparing their Bids, the Company may, at its discretion, extend the deadline for the submission of Bids, and such extension will be conveyed to the bidders in writing.

C. PREPARATION OF BIDS :

8.0 LANGUAGE OF BID

The Bids prepared by the bidders and all correspondence and documents relating to the Bids exchanged by the bidder and Company shall be written in English language. However printed literature furnished by the bidder may be written in another language so long it is accompanied by an English translation of its pertinent pages. In which case, for purposes of the interpretation of the Bid, the English translation shall prevail.

9.0 DOCUMENTS COMPRISING THE BIDS

The bid should be prepared under single stage two bid system. The bid to be submitted by the Bidder shall comprise of the following components:

I. TECHNICAL BID

- (i) Complete technical details of the services explaining how the bidder proposes to execute the agreement with step-by-step activities.
- (ii) Documentary evidence in accordance with paragraph 12.0 below to establish that the bidder is eligible to Bid and is qualified to perform the contract if its Bid is accepted.
- (iii) Bid Security furnished in accordance with Para 13.0 below.
- (iv) Statement of Compliance as per **PROFORMA - I** of Section – VI
- (v) Duly signed Integrity Pact as per **PROFORMA - III** of Section – VI
- (vi) Any other pertinent information/document (except the cost details), which the bidder wish to furnish in support of their bid.

II. COMMERCIAL (PRICED) BID

- (i) Schedule of Rates as per **PROFORMA – II** of Section – VI.

10.0 BID PRICES

- 10.1 Prices quoted by the successful bidder shall be held firm during its performance of the contract and not subject to variation of any account. A Bid submitted with an adjustable price quotation will be treated as non-responsive and rejected. Subsequent increase in prices of commodities/services if any will have to be borne by the bidder.
- 10.2 Bidders must include all expenditures they are to incur in executing this contract including charges towards documentation, clearance, air/inland fare for personnel, en-route expenditures, insurance charges and day rate of experts etc. in their quoted rates. However, it is to be noted that during the pilot project implementation stage at site, Company will provide on-site accommodation, food, first-aid facility and local conveyance at Baghewala free of cost to Consultant's various Experts.
- 10.3 All duties, taxes and any other levies including customs duty, if any payable by the successful bidder under the contract for which this Bid Document is issued, shall be included in the rates/prices and the evaluation and comparison of Bids shall be made accordingly. Corporate tax, personal tax and service tax as per rules of the country will be paid by the successful bidder and quoted prices are to include all these charges. The bidder will have to however, indicate in their commercial bid, the break up of the various taxes and duties and especially the Service Tax amount included in their quoted rates, if any. Only R & D Cess payable, if any, against this contract will be borne and paid for by OIL INDIA LIMITED.

11.0 CURRENCIES OF BID

- 11.1 A bidder expecting to incur its expenditures during the performance of the Contract in more than one currency, and wishing to be paid accordingly, shall so indicate in the bid. In such a case, the bid shall be expressed in different currencies and the respective amounts in each currency shall together make up the total price.
- 11.2 Indian bidders too can submit their bids in any currency (including Indian Rupees) and receive payment in such currencies at par with foreign bidders. However, currency once quoted will not be allowed to be changed.

12.0 DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY/QUALIFICATIONS

- 12.1 To be eligible for award of contract, bidders shall provide evidence satisfactory to the Company of their eligibility, capability and adequacy of resources to carry out the contract effectively. For this purpose, Bids submitted shall include the following information/documentary evidence:
- a) Copies of original documents defining the constitution or legal status, place of registration and principal place of business of the Bidder or firm or partnership or, if a joint venture, for each party thereto constituting the bidder;
 - b) Details of the experience and past performance of the bidder (or of each party to a joint venture) on works of a similar nature within the past five years, and details of current work and other contractual commitments;
 - c) The qualifications, and experience of key personnel for administration and execution of the contract, both on & off site;
 - d) Banker's certificate as to the financial viability of the bidder (or of each party to a joint venture).
 - e) Information regarding any current litigation in which the bidder is involved.
- 12.2 In addition, the bidders shall submit documentary evidence that the services it commits to provide are in compliance with the tender terms and shall describe in detail how the specifications are to be fulfilled.

13.0 BID SECURITY

- 13.1 Pursuant to Para 9.0 above, the Bidder shall furnish Bid Security in the amount as specified in the "Forwarding Letter" as part of their Technical Bid.
- 13.2 The Bid Security is required to protect the Company against the risk of Bidder's conduct, which would warrant the security's forfeiture, pursuant to sub-para 13.7 below.
- 13.3 The Bid Security shall be denominated in the currency of the Bid or another freely convertible currency, and shall be in the following forms:-
- a) A Bank Guarantee/Letter of Credit issued by a scheduled Bank located in India in the form provided in the Bid document (Ref. Section-VII for the format) and valid for 60 days beyond the validity of the Bid. The bank guarantee/Letter of Credit should be so endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan) India or alternatively at New Delhi, India.
 - b) A Cashier's Cheque or Demand Draft drawn on "OIL INDIA LIMITED" and payable at Jodhpur, Rajasthan (India).

- 13.4 Any Bid not secured in accordance with above-mentioned subparagraphs 13.1 to 13.3 will be rejected by Company as non-responsive, except those are exempted.
- 13.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned immediately after finalisation of the Tender by Company or latest by within 30 days of expiry of the period of bid validity.
- 13.6 Successful Bidder's Bid Security will be discharged upon the Bidder's signing of the contract and furnishing the Performance Security.
- 13.7 The Bid Security will be forfeited:

If any Bidder withdraws their bid during the period of bid validity (including any subsequent extension) specified by the Bidder on the Bid Form, or
If a Successful Bidder fails:

- i) To sign the contract within reasonable time and within the period of bid validity, and /or,
- ii) To furnish Performance Security.

14.0 PERIOD OF BID VALIDITY

- 14.1 Bids shall remain valid for 180 days after the date of Bid opening prescribed by Company and as mentioned in the Forwarding Letter. A Bid valid for a shorter period will be rejected by Company as non-responsive.
- 14.2 In exceptional circumstances, Company may solicit the bidder's consent to an extension of the period of validity. In case of agreement to the request, the Bid Security provided as per above mentioned paragraph 13.0 shall also to be suitably extended. However, a bidder may refuse the request without forfeiting its Bid security. A bidder granting the request will not be required nor permitted to modify its Bid.

15.0 INDIAN AGENTS

Foreign Bidders are requested to clearly indicate in their quotation whether they have an agent in India. If so, the bidders should furnish the name and address of their agents and state clearly whether these agents are authorized to receive any commission. The rate of the commission should be indicated, which would be payable in non-convertible Indian currency according to Import Trade Regulation of India. Unless otherwise specified, it will be assumed that agency commission is not involved in the particular bid. Further, Bidders are requested to quote directly and not through their agents in India. Bids received from agents on behalf of their Principals will be rejected.

16.0 FORMAT AND SIGNING OF BID

- 16.1 The Bidder shall prepare their Technical bid and Commercial Bid, three copies each, clearly marking the original as "ORIGINAL BID" and the rest as "COPY OF BID". In the event of any discrepancy between them, the original shall prevail.
- 16.2 The original and all copies of the bid shall be typed or written in indelible inks and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. The letter of authorization shall be indicated by written power of attorney accompanying the bid. The person or persons signing the bid shall initial all pages of the bid, except for unamended printed literature.

16.3 The bid should contain no interlineation, white fluid erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such correction shall be initialed by the person(s) signing the bid. Any bid not meeting this requirement shall be liable for rejection.

D. SUBMISSION OF BIDS:

17.0 SEALING AND MARKING OF BIDS

17.1 The tender is being processed according to a Single Stage-Two Bid procedure. Offers should be submitted in two parts viz. Technical Bid and Commercial (Priced) Bid, each in triplicate (One original and 2 copies).

17.2 The Bidder shall seal the original and each copy of the bid duly marking as "ORIGINAL" and "COPY".

17.3 The cover containing the Technical Bid (Original and 2 copies) should be in one sealed cover bearing the following on the right hand top corner.

- (i) Envelope No.1 **Technical bid**
- (ii) Tender No. : -----
- (iii) Bid closing date : -----
- (iv) Bidder's name : -----

17.4 The cover containing the Commercial (Priced) Bid (Original and 2 copies) should be in a separate sealed cover bearing the following on the right hand top corner.

- (i) Envelope No.2 **Commercial (Priced) bid**
- (ii) Tender No. : -----
- (iii) Bid closing date : -----
- (iv) Bidder's name : -----

17.5 The above mentioned two separate covers containing Technical and Commercial (Priced) bids should then be put together in another envelope bearing the following details on the top and the envelope should be addressed to OIL as mentioned in the " Forwarding Letter".

- (i) Tender No. : -----
- (ii) Bid closing date : -----
- (iii) Bidder's name : -----

17.6 The offer should contain complete specifications, details of services and equipment/ accessories offered together with other relevant literature/catalogues of the equipment offered. The Bid Security mentioned in para 13.0 should be enclosed with the Technical Bid. The price Schedule should not be put in the envelope containing the Technical Bid.

17.7 All the conditions of the contract to be made with the successful bidder are given in various Sections of this document. Bidders are requested to state their compliance/ non-compliance to each clause as per **PROFORMA – I** of Section – VI. This should be enclosed with the technical bid.

17.8 Timely delivery of the bids is the responsibility of the Bidders. Bidders should send their bids as far as possible by Registered Post or by Courier Services. Company shall not be responsible for any postal delay/ transit loss.

17.9 Cable/ Fax/E-mail/ Telephonic offers will not be accepted.

18.0 DEADLINE FOR SUBMISSION OF BIDS

Bids must be received by the Company at the address specified in the Forwarding Letter not later than the bid closing time and date mentioned in the letter.

19.0 LATE BIDS

Any Bid received by the Company after the deadline for submission of bids prescribed by the Company shall be rejected.

20.0 MODIFICATION AND WITHDRAWAL OF BIDS

20.1 The Bidder, after submission of bid, may modify or withdraw its bid by written notice prior to bid closing.

20.2 The Bidder's modification or withdrawal notice shall be prepared sealed, marked and despatched in accordance with the provisions of para 16.0. A withdrawal notice may also be sent by fax but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.

20.3 No bid can be modified subsequent to the deadline for submission of bids.

20.4 No bid can be withdrawn in the interval between the deadline for submission of bids and the expiry of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal of a bid during this interval shall result in the Bidder's forfeiture of its Bid Security.

E. BID OPENING & EVALUATION BY COMPANY :

21.0 BID OPENING AND EVALUATION

21.1 Company will open the Technical Bids first, including submission of modifications, if any, made pursuant to para 20.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, the Bidder's representative must produce an authorized letter from the bidder at the time of opening of tenders. Unless this Letter is presented, the representative will not be allowed to attend the opening of tenders. The Bidders' representatives who are allowed to attend the bid opening shall sign in a register evidencing their attendance. Only one representative against each bid will be allowed to attend.

21.2 Bid (if any) for which an acceptable notice of withdrawal has been received pursuant to para 20.0 shall not be opened. On opening the remaining bids, Company will examine them to determine whether the same are complete, requisite Bid Securities have been furnished, documents including the Integrity Pact have been properly signed and the bids are generally in order.

21.3 At bid opening, Company will announce the Bidders' names, written notifications of bid modifications or withdrawal, if any, status of corresponding Bid Security, and such other details as the Company may consider appropriate.

21.4 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-para 21.2 & 21.3.

- 21.5 To facilitate examination, evaluation and comparison of bids the Company may, at its discretion, ask the Bidders for clarifications on their bids. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.
- 21.6 Prior to detailed evaluation, the Company will determine the substantial responsiveness of each bid to the Bidding Document. For this purpose, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations. A material deviation or reservation is one which affects in any substantial way the scope, quality, or performance of work, or which limits in any substantial way, in consistent with the bidding documents, the Company's right or the bidder's obligations under the contract, and the rectification of which deviation or reservation would affect unfairly the competitive position of other bidders presenting substantially responsive bids. The Company's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to any extrinsic evidence.
- 21.7 A Bid determined as not substantially responsive will be rejected by the Company and cannot subsequently be made responsive by the Bidder through corrections of the non-conformities.
- 21.8 The Company may waive minor informality or nonconformity or irregularity on a bid that does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

22.0 OPENING OF COMMERCIAL (PRICED) BIDS

- 22.1 Upon completion of technical evaluations, Company will open the Commercial Bids of the technically qualified Bidders only on a specific pre-determined date in presence of representatives from the interested qualified bidders. Bidders will be intimated about the bid opening date in advance. The Bid Securities submitted by the bidders whose bids are technically determined to be not acceptable to Company, will be returned immediately after opening of the commercial bids of the technically qualified bidders.
- 22.2 The Company will examine the Priced (Commercial) Bids to determine whether they are complete, any computational errors have not been made, required sureties have been furnished, the documents have been properly signed, and the bids are generally in order.
- 22.3 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price (that is obtained by multiplying the unit price and quantity) the unit price shall prevail and the total price shall be corrected accordingly. If any Bidder does not accept the correction of the errors, their bid will be rejected. If there is a discrepancy between words, and figures, the amount written in words will prevail.

23.0 EVALUATION AND COMPARISON OF COMMERCIAL BIDS

The Company will evaluate and compare the commercial bids as per Bid Evaluation Criteria (Section-VI) of the tender document. Enclosed Proforma-II may be referred in this regard.

24.0 CONTACTING THE COMPANY

24.1 Except as otherwise provided in para 21.5 above, no Bidder shall contact Company on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded.

24.2 An effort by a Bidder to influence the Company in the Company's bid evaluation, bid comparison or Contract award decisions may result in rejection of their bid.

25.0 REJECTION OF BID

Notwithstanding all above, Company also reserves the right to accept or reject all Bids and to annual the bidding process 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 grounds for Company's action.

F. AWARD OF CONTRACT :

26.0 AWARD CRITERIA

Subject to paragraph 25.0 hereinabove, Company will award the Contract to the bidder, whose Bids are determined to be substantially responsive and to have offered the lowest evaluated cost, provided further that the bidder is determined by the Company to be qualified to perform the contract satisfactorily.

27.0 NOTIFICATION OF AWARD OF CONTRACT

27.1 Prior to the expiry of the period of Bid validity, Company will notify the successful bidder in writing by registered letter/fax (to be confirmed in writing) that its Bid has been accepted.

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

27.3 Upon the successful bidder's furnishing of performance security, Company will promptly discharge the Bid Securities submitted by other un-successful bidders, pursuant to paragraph 13.5 hereinabove.

28.0 SIGNING OF CONTRACT

28.1 After Company notifies the successful bidder that its Bid has been accepted, Company will send the bidder a complete set of Draft Contract incorporating all agreements between the parties.

28.2 Within 15 days of receipt of the Draft Contract document, the successful bidder shall return it to Company with their comments on it, if any and shall depute their authorised person having Power of Attorney to the office of OIL INDIA LIMITED at Jodhpur to sign the formal Agreement.

29.0 PERFORMANCE SECURITY

- 29.1 Within 30 days of the receipt of notification of award from Company, the successful bidder shall furnish a Performance Security for an amount specified in the “Forwarding Letter” in accordance with the Terms & Conditions of the Contract (para 11.0 of Section-IV hereof) in the prescribed format as per enclosed Section-VIII of the bid document.
- 29.2 Failure of the successful bidder to comply with the requirements of paragraph 28.0 and/or 29.1 shall constitute sufficient grounds for annulment of award and forfeiture of the Bid Security, in which event Company may award the Contract to the next lowest bidder or call new bids or negotiate with the next lowest bidder as deemed fit.

30.0 MISCELLANEOUS PROVISIONS

In view of the close proximity of operational area to the International Border, the bidders are requested to take note of the following and ensure strict compliance.

- i) For deployment of Foreign Nationals at worksite (well site at Baghewala), necessary security clearance from the Ministry of Defence (Govt. of India) must be obtained by the Consultant in time. Obtaining all such statutory clearances/permits from the relevant authorities in India, as may be required for engaging expatriates, will be the sole responsibility of the successful bidder.
- ii) Movement of personnel during job execution at site will be restricted to the laid down routes, camp sites and routine. Under no circumstance, shall civilians be permitted near army installations/defence works.
- iii) Army troops deployed in the area will have the authority to check the photo identify cards which will be provided to all Contractors personnel by OIL after requisite Police verification. For this purpose, the successful bidder must furnish full particulars of their entire workforce with photographs in 15 days in advance of mobilization.

(END OF SECTION-I)

SECTION - II

GENERAL TERMS AND CONDITIONS OF CONTRACT

1.0 DEFINITIONS

1.1 In the Contract, the following terms shall be interpreted as indicated against each below:

- a) The “Contract” means the agreement entered into between Company and Consultant, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- b) The “Contract Price” means the rate/price payable to the Consultant under the Contract for full and proper performance of its contractual obligations.
- c) The “Work” means each and every activity required for the successful performance of the services described in the Terms of Reference/Scope of work vide Section-VIII.
- d) “Company” means OIL INDIA LIMITED and its executors, successors, administrators and assignees.
- e) “Consultant” means the individual or firm or Company performing the “Work” under this Contract and its executors, successors, administrators and assignees.
- f) “Consultant’s personnel” mean the personnel to be engaged/deployed by the Consultant to provide services as per the contractual provisions.
- g) “Company Personnel” mean the personnel of Company (OIL) or OIL’s Consultants (other than the bidder).
- h) “Company Representative” means the person or persons appointed and approved in writing from time to time by the Company (OIL) to act on its behalf for overall co-ordination and project management of this agreement.

2.0 CONSULTANT’S PERSONNEL

2.1 Consultant’s Personnel – Consultant warrants that it shall engage competent manpower in adequate numbers for necessary completion of the assignment/project to Company’s satisfaction. The personnel to be deployed by the Consultant must be competent, qualified and sufficiently experienced to perform their respective jobs timely, correctly and efficiently.

2.2 Except as otherwise hereinafter provided, the selection, replacement and remuneration of Consultant’s personnel shall be determined by Consultant. Such employees shall be the employees solely of Consultant or their sub-contractor. Consultant shall ensure that its personnel will be competent and efficient. However, the Consultant shall provide details of experience, and other relevant data of the personnel to be engaged in this project, for scrutiny and clearance by the Company before the actual deployment. The Consultant shall not deploy any personnel unless cleared by the Company.

2.3 The Consultant shall nominate one of its personnel as Consultant’s representative for liaising with Company, who shall be in charge of Consultant’s personnel and who shall have full authority to resolve all day to day matters during the currency of agreement.

2.4 Replacement of Consultant's Personnel – Contractor will immediately remove and replace any of the Consultant's personnel, who in the opinion of Company, is incompetent, or negligent or of unacceptable behavior or whose employment is otherwise considered by Company to be undesirable.

2.5 The Consultant shall be responsible for, and shall provide for all requirements of their personnel, and of their sub-contractor, if any, including but not limited to their insurance, housing, medical services, messing, transportation (both air and land transportation), vacation, salaries and all amenities, termination payment and all immigration requirement and taxes, if any, payable in India or outside at no charge to the Company. Company shall have no responsibility or liability in this regard.

3.0 CONSULTANT'S OBLIGATIONS

3.1 It is expressly understood that Consultant is an independent Contractor and that neither it nor its employees and its sub-contractors are employees or agents of Company. Company is however authorized to designate its representative(s), who shall at all time have access to the related equipment, materials and all records, for the purposes of observing, inspecting and designating the work to be performed hereunder by Consultant. The Consultant may treat Company's representative for the time being as being in-charge of Company's and Company designated all personnel at site. The Company's representative may, amongst other duties, observed, test, check and control implementation of work-programme, equipment and stock, inspect works performed by Consultant or examine records kept at site by Consultant.

3.2 Compliance with Company's Instructions – Consultant shall comply with all instructions of Company consistent with the provision of this Contract and perform the works described in the Terms of reference/Scope of Work.

3.3 Except as otherwise provided in the Terms of Reference/Scope of Work and the Special Conditions of contract, Consultant shall provide all labour and other personnel as required to perform the work in accordance with the contractual provisions.

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

3.5 Consultant shall be deemed to have satisfied itself before submitting its 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 herein, cover all its obligations under the contract.

3.6 Consultant shall give or provide all necessary supervision during the performance of the services and as long thereafter Company may consider necessary for the proper fulfilling of Consultant's obligations under the contract.

3.7 Personal Protective Gears/Safety Gears : The Consultant shall arrange for and provide personal protective gears/safety gears and related equipment to all their personnel deployed at well site as per standard oil field practice, without which Company will not allow Consultant's personnel to enter/work at site.

4.0 COMPANY'S OBLIGATIONS

4.1 Company shall, in accordance with and subject to the terms and conditions of the Contract, pay Consultant as per provision of this contract.

- 4.2 Allow Contractor access, subject to normal security and safety procedures, to all areas as required for orderly performance of the assigned work.
- 4.3 Company shall provide all additional information/data of the field as and when required by the Consultant for carrying out the services as per Scope of Work.
- 4.4 For any visit to site by Consultant, Company shall provide free boarding and lodging at site (Baghewala) including free transportation from Jodhpur to site and back. However, all en-route expenditure including the to & fro airfare etc. up to Jodhpur and at Jodhpur will be to Consultant's account.
- 4.5 Ingress and Egress at Location – Company shall provide Consultant requisite certificates for obtaining rights of ingress to/egress from the site, including any certificates required for permits or license for the movement of Consultant's personnel. Should such permits/licenses be delayed because of objections of appropriate authorities in respect of Consultant's any specific persons, such persons should be promptly removed from the list by the Consultant and replaced by acceptable persons.
- 4.6 **Security Clearance:** The work site, i.e., Baghewala oil field is located close to international border in Jaisalmer District, Rajasthan in western part of India. As such, for visit by foreign nationals, a special security permit from Ministry of Home Affairs will be required to be obtained by Consultant for the expatriates well in advance before visiting/working at the locations. OIL shall arrange the necessary Security Permits for which the Consultant shall submit the required documents, such as passport, visa, application form with photographs etc. at least 3 (three) months in advance to OIL.
- 5.0 WARRANTY AND REMEDY OF DEFECTS
- 5.1 Consultant warrants that it shall perform the work in a first class, workmanlike and professional manner and that all work shall be performed in accordance with the highest quality, efficiency and current state of the art oilfield practices and in conformity with all specifications, standards and drawings set forth or referred to in the Scope of Works and with instructions and guidance which Company may from time to time furnish to the Consultant.
- 5.2 Should Company discover at any time during the terms of the contract or within one year after termination of this contract that the work does not conform to be foregoing warrantee, Consultant shall, after receipt of notice from Company promptly perform any and all corrective works required to make the services conform to the warranty. Such corrective work shall be performed at Consultant's expense. Company, at its option, may have such remedial work performed by others and charges the cost thereof to Consultant.
- 5.3 The rights and remedies of Company provided by this clause are in addition to any other right and remedies provided by law or in equity or otherwise.
- 6.0 CHANGES
- 6.1 During the performance of the work, Company may make a change in the work within the general scope of the contract including, but not limited to, changes in methodology and minor additions to a deletions from the work to be performed. Consultant shall perform the work as changed. Changes of this nature will be effected by written change order signed by Company.

6.2 If a change results in an increase in compensation due to Consultant or in a credit due to Company, Consultant shall submit to Company an estimate of the amount of such compensation or credit in a form prescribed by Company. Upon review of Consultant's estimate, Company shall establish and set forth in change Order the amount of the compensation or credit for the change or a basis for determining a reasonable compensation or credit for the change. If Consultant disagrees with the compensation or credit set forth in the change order, Consultant shall nevertheless perform the Work as changed, and the parties will resolve the dispute in accordance with Clause 13.0 hereunder. Consultant's performance of the Work as changed will not prejudice Consultant's request for additional compensation for Work performed under change order.

7.0 PAYMENT TERMS

7.1 No advance payment whatsoever will be paid by Company against the contract. All payments due by Company to the Contractor shall be made at Contractor's designated bank against proper and undisputed invoices/bills as per following schedule.

(a) Payment towards data collection and all studies, finalization of high angle deviated well design and other activities as provisioned under Srl. No. 01 and 02 of Price Schedule Format (PROFORMA-II) will be released one time, after deducting liquidated damages, if any, upon submission and acceptance of the final reports by the Consultant.

(b) Payment towards the Day Rates of various Key Personnel/Domain Experts to be deployed at site during implementation of Pilot Project at Baghewala as provisioned under Srl. No. 03 of Price Schedule Format (PROFORMA-II) will be released against running bills/invoices of Consultant at the end of each calendar month for the man-days engaged during the month.

(c) Balance payment against the contract (towards submission of Final Report on future field development plan i.e, against Srl. No. 04 of Price Schedule Format (PROFORMA-II) will be released together after completion of Consultant's all contractual obligations on certification by HEAD (PRODUCTION) of Company.

7.2 Company shall pay to the Consultant during the term of the Contract the amount due from time to time calculated according to the rates of payment set and in accordance with the provisions of this contract. No other payments shall be due from Company unless specifically provided for in this Contract. All payments will be made in accordance with the terms hereinafter described.

7.3 Manner of Payment – All payments due by Company to Consultant shall be made at Consultant's designated bank within 30 days following the date of receipt of undisputed invoice (s) by Company from the Consultant for each group of activities as mentioned herein above. Bank charges, if any, will be on consultant's account. However, for the first invoice the payment will be released within 45 days.

7.4 Payment of any invoices shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the date of payment shall make and deliver to Consultant written notice of objection to any item or items the validity of which the company questions.

7.5 Invoices – Consultant shall submit three sets of all invoices duly super scribing 'original' and 'copy' as applicable to the Company at Jodhpur [ATTN. : HEAD (PRODUCTION)] for processing payment where it is due.

- 7.6 Company shall within 30 days of receipt of the invoice notify the consultant of any item under dispute, specifying the reasons thereof, in which event, payment of the disputed amount may be withheld until settlement of the dispute, but payment shall be made of any undisputed portion on or before the due date. This will not prejudice the Company's right to question the validity of the payment at a later date as envisaged in Clause 7.5 above.
- 7.7 The acceptance by Consultant of part payment or interest on any billing not paid on or before the due date shall not be deemed a waiver of Consultant's right in respect of any other billing, the payment of which may then or thereafter be due.
- 7.8 Consultant shall maintain complete and correct records of all information on which Consultant's invoices are based up-to 2 (two) year from the date of last invoice. Such records shall be required for making appropriate adjustments or payments by either party in case of subsequent audit query/objection.
- 8.0 TAXES, DUTIES AND LEVIES
- 8.1 Tax leviable as per provisions of Indian Income Tax Act and any other enactment/rules on income derived/payment received under the contract will be on Consultant's account. Only the R & D Cess, applicable if any against this contract, will be born and paid for by Company.
- 8.2 Taxes will be deducted at source from all payments released to the Consultant, at the specified rate of income tax as per the provisions of Indian Income Tax Act.
- 8.3 Consultant shall be responsible for and pay the personnel tax, if any, for all the personnel deployed in India.
- 8.4 Consultant shall furnish to Company, if and when called upon to do so, relevant statement of account or any other information pertaining to work done under this Contract for submitting the same to the tax authorities, on specific request by them. Consultant shall be responsible for preparing and filing relevant return within the stipulated to the appropriate authority.
- 8.5 Customs duties or other duties on imports or any other charges or duties on personal effect of Consultant's and their sub-contractor's employees, will be at Consultant's cost.
- 8.6 Prior to start of operations under the Contract, Consultant shall furnish to Company necessary documents, as asked for by Company and or any other information pertaining to the Contract, which may be required to be submitted to the Income Tax authorities at the time of obtaining "No Objection Certificate" for releasing payments to Consultant.
- 8.7 Tax clearance certificate for personnel and corporate taxes shall be obtained by Consultant from appropriate Indian tax authorities and furnished to Company. Corporate and personnel taxes on Consultant and its sub-contractors shall be the liability of the Consultant and Company shall not be held responsible on this account.
- 8.8 All local and Central Taxes, levies, duties and Octroi etc. on the purchases and sales made in India by Consultant or on the sales made by Consultant to Company if any, shall be borne by Consultant.

9.0 SUBSEQUENTLY ENACTED LAWS

Subsequent to the date of technical bid opening if there is a change in or enactment of any Indian law which results in an additional cost or reduction in cost under the Contract to Contractor, such additional cost shall be reimbursed by Company to Contractor on submission of documentary evidence that the Contractor has duly borne the additional implication as envisaged under the said law or such reduction in cost shall be refunded by the Contractor to Company as the case may be.

10.0 FORCE MAJEURE

10.1 In the event of either party being rendered unable by “Force Majeure” to perform any obligation required to be performed against this contract, the relative obligation of the party affected by such “Force Majeure” will stand suspended as provided herein. The word “Force Majeure” as employed herein shall mean acts of Gov, war, revolt, agitation, strikes, riot, fire, flood, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Consultant) and any other cause, whether of kind herein enumerated or otherwise which are not within the control of the party to the contract and which renders performance of the contract by the said party impossible.

10.2 Upon 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 within seventy two (72) hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.

10.3 Notwithstanding anything herein to the contrary, Consultant shall not be liable for forfeiture of its performance bank guarantee, payment of penalties or termination for default, if and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure.

10.4 Should “force majeure” condition as stated above occurs and should the same be notified within seventy two (72) hours after its occurrence, either party will have the right to terminate the contract if such “force majeure” condition continues beyond three (3) month with prior written notice. Should either party decide not to terminate the contract even under such condition, no additional payment whatsoever would apply on account of suspension of work during the force majeure period unless otherwise agreed to. However, the duration of the contract i.e., contract completion period will automatically be extended to cover the time lost on account of such force majeure condition

11.0 TERMINATION

11.1 TERMINATION ON EXPIRY OF THE TERMS (DURATION)

The contract shall be deemed to have been automatically terminated on the expiry of duration of the contract or extension, if any, thereof.

11.2 TERMINATION ON ACCOUNT OF FORCE MAJEURE

Either party shall have the right to terminate the Contract on account of Force Majeure as set forth in Para 10.0 above.

11.3 TERMINATION ON ACCOUNT OF INSOLVENCY

In the event of that the Consultant at any time during the term of the Contract, becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Company shall, by a notice in writing have the right to terminate the Contract and all the Consultant’s right and privileges hereunder, shall stand terminated forthwith.

11.4 TERMINATION FOR UNSATISFACTORY PERFORMANCE

If the Company considers that the performance of the Consultant is unsatisfactory, or not up-to the expected standard, the Company shall notify the Consultant in writing and specify in details the cause of the dissatisfaction. The Company shall have the option to terminate the Contract by giving fifteen (15) days notice in writing to the consultant, if Consultant fails to comply with the requisitions contained in the said written notice issued by the Company.

11.5 TERMINATION DUE TO CHANGE OF OWNERSHIP & ASSIGNMENT

In the case of Consultant's rights and/or obligations under the Contract and/or the Consultant's rights, title and interest to the equipment/material, are transferred or assigned without the Company's consent, the Company may at its absolute discretion, terminate the Contract.

11.6 CONSEQUENCES OF TERMINATION

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

11.7 Upon termination of the Contract, Consultant shall return to Company all of Company's items, which are at the time in Consultant's possession.

11.8 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 15 (fifteen) days written notice to the Consultant due to any other reason not covered under the above clauses from 11.1 to 11.5 and in the event of such termination, Company shall not be liable to pay any cost or damage to the Consultant except for payment for the completed services as per the Contract up to the date of termination.

11.9 In the event of termination of Contract, Company 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 Consultant shall demobilize their personnel and materials.

12.0 APPLICABLE LAWS

12.1 The Contract shall be deemed to be a Contract made under, governed by and construed in accordance with the laws of India.

12.2 Consultant shall ensure full compliance of various Indian Laws and statutory regulations as stated below, but not limited to, in force from time to time and obtain necessary permits/licenses, etc. from appropriate authorities for conducting operations under the Contract:

- a) Mines Act – as applicable to safety and employment conditions.
- b) Oil Mines Regulations, 1984
- c) Workmen's Compensation Act
- d) Payment of Wages Act
- e) Payment of Bonus Act, 1965

- f) Contract Labour (Regulation & Abolition) Act, 1970
- g) Employees Provident Fund and Family Pension Scheme
- h) Interstate Migrant Workmen Act, 1979 (Regulation of employment and conditions of service).
- i) Income Tax Act & Sales Tax Act
- j) Customs and Excise Act & Rules
- k) Insurance Act

13.0 SETTLEMENT OF DISPUTES AND ARBITRATION

All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of the contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Indian Arbitration and Conciliation Act, 1996. The venue of Arbitration will be Jodhpur, Rajasthan, India. The award made in pursuance thereof shall be binding on the parties.

14.0 INSURANCE

- 14.1 Consultant shall arrange comprehensive insurance to cover all risks in respect of their personnel, materials and equipment belonging to Consultant or its sub-contractor during the currency of the contract, if any. Company does not undertake any responsibility whatsoever in this regard.
- 14.2 If any insurance policy expires or it's cancelled during the term of this Contract and Consultant must renew or arrange for fresh policy as the case may be without fail. Should there be a lapse in any insurance required to be carried by Consultant hereunder for any reasons whatsoever, loss/damage claims resulting there-from shall be to the sole account of Consultant.
- 14.3 Consultant shall require all of his sub-contractors to provide such of the foregoing insurance coverage as Consultant is obliged to provide under this Contract and inform Company about the coverage prior to the commencement of agreements with its sub-contractor, if any.
- 14.4 All insurances taken out by Consultant or his sub-contractors shall be endorsed to provide that the underwriters waive their rights of recourse on Company.

15.0 SUB-CONTRACTING

- 15.1 Consultant shall not sub-contract or assign, in whole or in part of its obligations to perform under this Contract to any other party, except with Company's prior written consent. Company will have the right to accept or reject any Sub-Contractor so selected.
- 15.2 Company shall have the right at any time to assign all or any part of its rights hereunder to related or affiliated or subsidiary company provided that such successor shall remain fully liable and responsible to Consultant and obligations imposed by agreement.

16.0 GUARANTEE

Consultant shall guarantee that scope of work as specified and described in this contract and technical document shall be developed in accordance with sound and established engineering practices using international standards and Indian codes and regulations whenever applicable.

17.0 NOTICES

17.1 Any notice given by one party to the other pursuant to the contract shall be sent in writing to the applicable address specified below:

COMPANY

CONSULTANT

Oil India Limited,
12, Old Residency Road,
JODHPUR-342011
Rajasthan, INDIA
Fax: 0291 2431689

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.....
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17.2 A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

18.0 CONFIDENTIALITY

18.1 Consultant agrees to be bound by professional secrecy and undertakes to keep confidential any information obtained during the conduct of services and to take all reasonable steps to ensure that Consultant’s personnel likewise keep such information confidential.

18.2 This obligation shall keep in force even after the termination date and until such information will be disclosed by Company.

18.3 Consultant shall handover to Company all Company’s documents or drafts concerning operation carried out and which are still in its possession at the successful completion of the project.

19.0 MISCELLANEOUS PROVISIONS

19.1 Consultant shall give all notices and pay all fees required to be given or paid for by any National or State stature, ordinance, or other law, or any regulation, or bye-law of any local or other duly constituted authority in relation to the performance of the services and by the rules and regulation of all public bodies and companies whose property or rights are affected or may be affected in any way by the services.

19.2 Consultant shall conform in all respect with provisions of any such statute, ordinance or law as aforesaid and the regulations or bye-laws of any local or other duly constituted authority which may be applicable to the services and with such rules and regulations of public bodies and Companies as aforesaid and shall keep Company indemnified against all penalties and liability of every kind for breach of any such statute, ordinance or law, regulations or bye-laws.

- 19.3 All fossils, coins, articles of value or antiquity and structures and other remains or things of geological or archaeological interest discovered on the site where the services are performed, shall be deemed to be the absolute property of the Company. Consultant shall take reasonable precautions to prevent its personnel or any other person from removing or damaging any such article or thing and shall immediately upon discovery thereof and, before removal, acquaint Company of such discovery and carry out, at the expense of Company, Company's orders as to the disposal of the same.
- 19.4 Key personnel of Consultant performing the work under this contract cannot be changed as far as practicable during the tenure of the contract except due to sickness/death/resignation of the personnel, in which case the replaced person should have equal experience and qualifications which will again subject to approval by Company.

(END OF SECTION-II)

SECTION - III

SPECIAL TERMS & CONDITIONS OF CONTRACT

1.0 ASSOCIATION OF COMPANY'S PERSONNEL

- 1.1 Company may depute more than one representative to act on its behalf for overall co-ordination and operational management during execution of this agreement. Company's representative(s) shall have the authority to order any changes in the scope of work to the extent so authorised and notified by the Company in writing. Company Representative shall liaise with the Consultant, monitor the progress so as to ensure the timely completion of the jobs. He/they shall also have the authority to oversee the execution of site jobs by the Consultant and to ensure compliance of provisions of the contract.
- 1.2 Company's representative(s) shall have free access at all the stages of job implementation to interact with Consultant and their experts for the purpose of observing/inspecting/ contributing to the work programme in order to judge whether, in Company's opinion, Consultant is complying with the provisions of the contract. However, Company representative (s) will not directly operate any machinery/equipment of Consultant at any point of time.

2.0 PROVISION OF PERSONNEL AND FACILITIES

- 2.1 The Consultant shall engage qualified and experienced personnel for execution of services as per provisions of this contract. The manpower to be deployed by the Consultant at various stages of job execution must have adequate relevant experience in their respective fields. On Company's request, Consultant shall remove and replace any of their personnel whose presence/involvement is considered undesirable in the opinion of Company. The Consultant shall deploy all support staff at their own expenses as per their requirements.
- 2.2 The Consultant shall be responsible for, and shall provide for all requirements of their personnel, and of their sub-contractor, if any, including but not limited to their insurance, housing, medical services, messing, transportation (both air and land transportation), vacation, salaries and all amenities, termination payment and all immigration requirement and taxes, if any, payable in India or outside at no charge to the Company.
- 2.3 The Consultant's representative shall have all requisite power for performance of the work. The Consultant must designate one Project Manager, who shall be the overall in-charges and coordinator, on behalf of the Consultant, so far as this contract is concerned. The Project Manager shall liaise with the Company's representative as and when required for the proper co-ordination and timely completion of the job and on any other matters pertaining to the job.

3.0 LIABILITY

- 3.1 Except as otherwise expressly provided, neither Company nor its servants, agents nominees, contractors, or sub-contractors, shall have any liability or responsibility whatsoever to whomsoever (including the owner) for loss or damage to the equipment and or/loss or damage to the property of Consultant and/or its contractors or sub-contractors, irrespective of how such loss or damage is caused unless caused by willful and gross negligence of Company and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Consultant shall protect, defend, indemnify and hold harmless Company from and against such loss or damage and any suit, claim or expense resulting there-from.

- 3.2 Neither Company nor its servants, agents, nominees, assignees, consultants, sub-contractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employees of Consultant and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Consultant shall protect, defend, indemnify and hold harmless the Company from and against such loss or damage and any suit, claim or expense resulting there-from.
- 3.3 Except as otherwise expressly provided, neither Consultant nor its servants, agents, nominees, contractors or sub-contractors shall have any liability or responsibility whatsoever to whomsoever (including the owner) for loss of or damage to the equipment and/or loss or damage to the property of Company and/or its contractors or sub-contractors, irrespective of how such loss or damage is caused, unless caused by willful or gross negligence of Consultant and/or its servants, agents, nominees, assignees, Contractors and sub-contractors. Company shall protect, defend, indemnify and hold harmless Consultant from and against such loss or damage and any suit, claim or expense resulting there-from.
- 3.4 Neither Consultant nor its servants, agents, nominees, assignees, contractors, sub-contractors shall have any liability or responsibility whatsoever to whomsoever for injury to, illness, or death of any employee of Company and/or its servants, agents, nominees, assignees, contractors and sub-contractors. Company shall protect, defend, indemnify and hold harmless consultant from and against such loss or damage and any suit, claim or expense resulting there-from.

4.0 INDEMNITY AGREEMENT

- 4.1 Consultant agrees to protect, defend, indemnify and hold Company harmless from and against all claims, suits demands, and causes of action, liability, expenses, costs, liens and judgment of every kind and character, without limit, which may arise in favour of Consultant's employees, agents, contractors and sub-contractors or their employees on account of bodily injury or death, or damage to personnel/property as a result of the operations contemplate hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part, or other faults.
- 4.2 Company agrees to protect, defend, indemnify and hold Consultant harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, costs, liens and judgment of every kind and character, without limit, which may arise in favour of Company's agents, contractors and sub-contractors or their employees on account of bodily injury, death or damage to personnel/property as a result of the operations contemplated hereby regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part, or other faults.

5.0 INDEMNITY APPLICATION

The indemnities given herein above, whether given by Company or Consultant, shall be without regard to fault or to the negligence of either party even though said loss, damage, liability, claim, demand, expense, cost or causes of action may be caused, occasioned by or contributed to by the negligence, either sole or concurrent of either party.

6.0 PATENT INFRINGEMENT

- 6.1 Consultant shall defend and hold Company harmless against any and all claims, actions and liabilities for violation of any patent or patents brought against Company and/or use of any patented processes, compositions, machines or articles of manufacture. Company shall at all times have the right to be represented by its own counsel and participate in the defense of any action in which Company is a party defendant.

6.2 Company shall defend and hold Consultant harmless against any and all claims, actions and liabilities for violation of any patent or patents brought against Consultant and/or Company by any third party as a result of Company's use of any patented processes, composition, machines or articles of manufacture. Consultant shall at all times have the rights to be represented by its own counsel and to participate in the defense of any action in which Consultant is a party defendant.

7.0 CONSEQUENTIAL DAMAGE

Neither party shall be liable to the other for special, indirect or consequential damages resulting from or arising out of the Contract, including but without limitation, to loss of profit or business interruptions, howsoever caused and regardless of whether such loss or damage was caused by the negligence (either sole or concurrent) of either party, its employees, agents or sub-contractors.

8.0 WAIVERS AND AMENDMENTS

It is fully understood and agreed that none of the terms and conditions of the Contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the duly authorized agents or representatives of such party. The failure of either party to execute any right of termination shall not act as a waiver or amendment of any right of such party provided hereunder.

9.0 USE OF CONTRACT DOCUMENTS AND INFORMATION

9.1 Consultant shall not, without Company's written consent disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of Company in connection therewith, to any person other than a person employed by Consultant in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

9.2 Consultant, shall not, without Company's prior written consent, make use of any document or information enumerated herein, except for purpose of performing the Contract.

9.3 Any document attached herein or information detailed herein, other than the Contract itself, shall remain the property of Company and shall be returned (in all copies) to Company on completion of Consultant's performance under the Contract, if so required by Company.

10.0 HEADINGS

The headings of the clauses of the Contract are for convenience only and shall not be used to interpret the provisions hereof.

(END OF SECTION – III)

SECTION - IV

SCOPE OF WORKS/TERMS OF REFERENCE/TECHNICAL SPECIFICATIONS

1.0 INTRODUCTION

This section establishes the scope and schedule for the work to be performed by the Consultant and describes the guidelines, instructions etc., which the Consultant shall satisfy or adhere to in the performance of the work.

2.0 BRIEF BACKGROUND

2.1 OIL INDIA LIMITED, a Govt. of India Enterprises and premier E & P Company in India, discovered Heavy oil and Bitumen in 1991 from its Baghewala field in Western Rajasthan. However, due to non-availability of in-house Technical expertise to produce this oil, the Company engaged M/s. Alberta Research Council (ARC), Canada in 1992 to carryout a feasibility study for exploitation of heavy oil from Jodhpur and Bilara formations. M/s. ARC concluded that Cyclic Steam Stimulation (CSS) is the most suitable thermal technique to exploit this oil and recommended OIL to experiment this technique (CSS) through a pilot project after producing the existing wells for about a year using Bottom Hole Heaters (BHH) and Progressive Cavity Pumps (PCP). The product and reservoir data gathered during production period would help to design the pilot project. OIL tried to produce two wells using bottom hole heater and PCP but could not succeed due to down hole failure of BHH & PCP.

2.2 In November' 2002, with initiatives of MOP & NG, Govt of India, an Indo-Venezuela joint working group was formed and an agreement was signed with M/s. PDVSA Intevep, Venezuela for feasibility study of this field and for pilot experimentation for exploitation of Heavy oil & Bitumen in Baghewala field.

2.3 In their final report, M/s. PDVSA recommended to carry out pilot experimentation for production of Bitumen and Heavy oil by CSS method as under :

- a) To drill a shallow vertical well in the Upper Carbonate formation and to produce Bitumen through CSS method.
- b) To drill a high angle deviated well in the Jodhpur –Bilara formations and to produce through CSS method.

2.4 Further, they recommended that based on the results of pilot experimentation as above, the following are to be decided :

- i) A field development plan be drawn both for Upper Carbonate and Jodhpur-Bilara formations.
- ii) Based on the results of Pilot experimentation, metallurgy and materials of construction for well completion as well as production facilities to be decided.
- iii) Optimization of steam injection quantity and duration per cycle, soaking period and subsequent production period per cycle.
- iv) Identification & Requirement of additives and inhibitors for treatment of produced crude including dosing rates to be evaluated during pilot experimentation.
- v) A suitable ori-emulsion to be developed for the produced crude during pilot experimentation which shall be required for storage and transportation of the same.

2.5 PILOT EXPERIMENTATION (PILOT #1) : On receipt of the final report from PDVSA, OIL decided to go ahead with pilot experimentation in two phases. Initially to drill one vertical well in the Upper Carbonate formation (Pilot-I) and to produce the same through CSS method. Accordingly a well was drilled during Oct-Nov' 2005 and steam injection was attempted initially in July'2006 and then in December' 2007. However, both attempts for steam injection could not succeed due to various surface and sub-surface problems encountered at the very beginning of steam injection cycles. Finally this has been aborted.

3.0 AREA OF OPERATION

The area of operation as planned is "BAGHEWALA" in the districts of Jaisalmer in Rajasthan State (India) at a distance of approx. 150 KM (south-west) from Bikaner or 400 Km (North-West) from Jodhpur. The site is located inside the great Thar Desert. The following information about the site/area are furnished for the Bidders to consider while submitting their bids:

i)	Topography of site	=	The location is part of the Great Thar Desert
ii)	Presence of sand dunes	=	Common occurrence in the vicinity
iii)	Nature of top soil	=	Usually wind blown sand
iv)	Highest recorded wind velocity in Rajasthan	=	128 Km/hour (80 MPH)
v)	Frequency of sand storm	=	Frequent from March to September and occasional during the remaining period
vi)	Max. recorded ambient temp	=	60 Degree Celsius
vii)	Min. recorded ambient temp.	=	(-5) Degree Celsius
viii)	Average annual rainfall	=	1" (25 mm)
ix)	Humidity	=	Max. 40%
x)	Source of Water	=	Water to be sourced from IG Canal flowing through at a distance of 1.4 KM from the site.

4.0 SCOPE OF WORK / SERVICE :

With the above background, Company now desires to carry out another pilot experimentation (PILOT#2) by drilling a high angle deviated well down to Jodhpur-Bilara formation (vertical depth of around 1200 mtrs.) to establish production potential of heavy oil through CSS technique, for which the integrated consultancy services are hereby invited. The broad Scope of Work of the Consultant would be as under;

4.1 Review of existing Data/Information and Submission of Report :

All available G & G and production data/reports/information on Baghewala Field/ Heavy Oil Project as necessary for execution of this Consultancy Service contract will be made available by the Company to the Consultant. The Consultant will be required to review the same and submit a draft report covering the following details;

- (a) Consultant to review the present status of the exploitation of Heavy oil from Baghewala field in Rajasthan and to suggest the way forward till undertaking drilling of Pilot well down to Jodhpur-Bilara formations for experimental production of heavy oil through CSS.
- (b) Consultant to study the high angle deviated Well Design for Jodhpur-Bilara formation, already provided by M/s. PDVSA and to suggest any modification/improvement thereto and finalize the well design for field implementation by Company (OIL).

- (c) Consultant to identify the specialized services and materials including their potential sources, specifications etc., required for completion of above well.
- (d) Consultant to prepare and submit cost estimates of the well with detailed break-up (activity-wise).
- (e) Any other relevant details as envisaged by the Consultant

4.2 Presentation and Adoption of Draft Report:

- (a) The Consultant shall prepare and submit three reports covering the following parts of the study
 - (i) Report on review of current status of heavy oil exploitation of Baghewala Field and way forward (Srl. No. 01 of Price Schedule Format)
 - (ii) Report on high angle well design, HAZOP study of existing/proposed surface injection and production set-up and identification of specialized services and materials, their specification and potential sources with cost estimate. (Srl. No. 02 of Price Schedule Format)
 - (iii) Report on future field development plan (Srl. No. 04 of Price Schedule Format).
- (b) Consultant shall submit six (6) sets of Final report on above in hard copy (bound volumes) and one soft copy on CD/DVD to OIL for acceptance and concurrence. The Consultant must also give a detailed presentation on their draft report to OIL Officials at Jodhpur/Delhi within 4 (four) weeks after submission of draft Report.
- (c) After the Presentation by Consultant, Company will deliberate on the issue, take decision regarding implementation of the Pilot#2 experimentation and confirm the Consultant in writing about adoption/acceptance of the Report in toto or with suggestion for improvement/modification.

4.3 Implementation of Pilot # 2:

After acceptance of the draft reports of Consultant as in para 4.2(a) i) & ii) above, Company will secure all necessary materials and services for drilling a high angle deviated well to implement the pilot project for extraction of heavy oil through CSS (Pilot # 2), during which the Consultant will provide following services;

- (a) Consultant to deploy competent and experienced Key Personnel/Domain Experts at site for supervision of the entire drilling and completion activities as necessary during implementation phase.
- (b) Consultant to check and certify the surface steam injection and production set-up and to issue certification for the adequacy of the system.
- (c) Consultant to carry out on-the-job supervision of steam stimulation jobs and subsequent production operations.

4.4 Final Report for Field Development Plan :

Based on the results of pilot experimentation as above, Consultant to prepare and submit Final Report on Field Development Plan including following areas :

- a) Decision on metallurgy and materials of construction for well completion programme as well as for production facilities to be installed/commissioned.
- b) Optimization of steam injection quality/quantity and duration per cycle, soaking period and subsequent production period per cycle.
- c) Identification & requirement of additives and inhibitors for treatment of produced crude including dosing rates to be evaluated during pilot experimentation.
- d) Development of a suitable ori-emulsion or any other alternative suitable technology for easy storage and transportation of the produced heavy oil.

5.0 ASSISTANCE IN PROJECT MANAGEMENT

- 5.1 The successful bidder/Consultant shall provide adequate, competent and experienced personnel as required for execution and implementation of the project in a most cost effective manner in accordance with the completion programme/Time schedule to be envisaged by the Consultant and agreed by the Company. The completion programme may be amended from time to time by reasonable modification as Company deems fit in consultation with the Consultant, based on site requirements and techno-commercial reasons for the advantage of Company.
- 5.2 In addition to the key personnel/domain experts, the Consultant shall assign a Project Manager based in India, who should be qualified/experienced and competent enough for overall co-ordination and to manage the project implementation. The Project Manager shall be prime contact person between Company and Consultant. He shall be assisted by appropriate staff to control and co-ordinate all aspects of job execution in consistence with contractual terms. Replacement of the Project Manager, if necessary, will require prior approval from OIL.
- 5.3 In order to achieve the desired target, the Project Manager shall develop an overall project schedule (Bar chart and PERT chart) and as per the basic time schedule planned by OIL to ensure that the project is completed within the stipulated time frame. The project schedule shall be updated depending upon the status of the project and the feedback collected from site. The schedule shall be used as a basis of reporting the progress of the work on a monthly basis.
- 5.4 The major responsibility of the Project Manager and his team shall be:
 - (i) Liaison with Company.
 - (ii) Overall management of the project including assisting Company in cost control, reporting in mutually agreed format using modern management tools.
 - (iii) Co-ordination of activities relating to the project with various Experts/ Departments within Consultant's office.
 - (iv) Overall planning, scheduling, monitoring and controlling of progress of activities. Assist Company in cost planning and control.
 - (v) Preparation of reports which shall be submitted to Company on monthly basis and updating same from time to time, summarizing the status of the project. The progress report shall highlight the specific delays, reasons for such delays, action plan proposed to bring back to the original schedule, major bottlenecks and hold ups. The format of the progress report shall be discussed and mutually agreed between Company and Consultant.

- (vi) Project cost estimation shall be prepared by Consultant with requisite back-ups and also the Consultant shall assist Company for review of project cost estimate before and after placement of major orders.
- (vii) Necessary technical write up and drawings shall also be submitted to Company to enable to prepare detailed project report.

6.0 KEY PERSONNEL TO BE ENGAGED BY CONSULTANT

Srl No	Designation	No.	Minimum Experience Required
01	Drilling Services Expert	01	10 years in drilling of oil & gas wells of which a minimum of 5 years shall be experience in deviation/horizontal drilling.
02	Mud Engineering Expert	01	Minimum 10 years experience in formulation of specialized reservoir drill-in-fluids.
03	Expert for Reservoir Engineering	01	10 years in exploitation of oil & gas fields of which a minimum of 5 years shall be in heavy oil exploitation through CSS/SAGD technique.
04	Expert for Geo-scientific Services	01	10 years in exploitation of oil & gas fields of which a minimum of 5 years shall be in heavy oil exploitation.
05	Expert for pre-stressing of casing	01	10 years in drilling of gas or oil wells with relevant experience in drilling of wells involving pre-stressing of casing for thermal completion.
06	Expert in Deviation Drilling	01	Minimum 10 years of experience in independently drilling short/medium/long radius horizontal/high angle wells.
07	Expert in Cementing Service for thermal completion	01	Minimum 10 years of experience in well cementing job of which minimum 5 years should be in cementing job in oil wells meant for thermal recovery process.
08	Well completion	01	Minimum 10 years experience in well completion of which at least 5 years shall be in the heavy oil fields where wells were completed for thermal recovery process like CSS and/or SAGD, etc.
09	Expert for Production Services	01	Minimum 10 years experience in oil & gas well production operations with knowledge of surface production techniques, artificial lift methods including SRP/PCP installation operation & maintenance. Of the total experience, he should have at least 5 years experience in heavy oil recovery system through CSS/SAGD system and hand-on experience in steam injection process. Should have experience in selection of chemicals for treatment of crude at surface etc & preparation of ori-emulsion for transportation of heavy crude.
10	Expert for Steam Injection Services	01	10 years experience in Heavy oil Production including hand-on experience in steam injection process for recovery of oil through CSS/SAGD process.

NOTE : All the Experts indicated above should be able to communicate in English.

7.0 OTHER TERMS & REQUIREMENTS :

- 7.1 (a) In the event of finalization of the contract, whenever any foreign national is required to be engaged for the job execution at site, the Visa required for visit of such personnel to site shall be arranged by the Consultant at their cost and effort. Necessary invitation letter/certification will be issued by OIL on request.

(b) The work site, i.e., Baghewala oil field is located close to international border in the western part of India. As such, for visit by foreign nationals, a special security permit from Ministry of Home Affairs will be required to be obtained by Consultant for the expatriates well in advance before visiting/working at the locations. OIL shall arrange the necessary Security Permits for which the Consultant shall submit the required documents, such as passport, visa, application form with photographs etc. at least 3 (three) months in advance to OIL.

- 7.2 For field jobs, the Consultant can deploy only such persons for whom bio-data were submitted along with the technical bid. Replacements, if necessary, will require prior approval from OIL.
- 7.3 On commencement of drilling, services of domain experts should be made available with a notice period of maximum 30 days.
- 7.4 Bidder should submit a comprehensive and workable **Time vs Activity Chart** along with the Technical bid covering entire project duration. In the event of award of Contract on the party, if agreed by Company, strict adherence to the time schedule has to be followed by the Consultant during Project Implementation.

8.0 EFFECTIVE DATE AND DURATION OF CONTRACT

The Contract shall become effective as on the date the Company notifies Consultant that they have been awarded the Contract and handing over of all data, document pertaining to G & G study carried out so far on the Baghewala Heavy Oil Project. It shall remain in force till the Pilot Project (Pilot#2) is completed in full to the satisfaction of Company. The tentative time schedule for various activities/milestones as envisaged by Company for completion of this contract would **approx. 146 Weeks** from the date of award of contract. The break-up of activity-wise time schedule as visualized by Company are detailed below for reference of the Bidders. However, the Bidders are to prepare their own activity v/s time estimate and submit the same alongwith their Technical Bids.

- (i) Consultant must depute their authorized competent representative to OIL's Jodhpur office and collect all relevant data/information to enable them to carry out the study: **2 Weeks from LOA.**
- (ii) Consultant to review the current status of exploitation of heavy oil from Baghewala Field and suggest way forward and submit a report on the same: **4 weeks from date of data collection.**
- (iii) Consultant to carryout all studies of Baghewala field, review the high angle deviated well design provided by M/S PDVSA and to suggest modification/improvement of existing Well Design, HAZOP study of the existing/proposed surface injection and production set up and identification of requisite services & materials with specifications and potential sources, cost estimates etc. Consultant to submit its Draft Report on well design, specifications, detailed engineering & cost estimation etc. for the proposed well completion : **12 Weeks from the date of collection of data/information.**

Note: Activities under Srl. No. ii) & iii) above carried out parallelly.

- (iv) Presentation on the above Draft Report as in ii) & iii) above to OIL: **4 Weeks after submission of draft report.**
- (v) Submission of Final report as in iii) above after incorporating OIL's views/suggestion, if any : **2 Weeks** after presentation.

- (vi) Company (OIL) may take about **60 weeks** thereafter to procure materials and services required for drilling and completion of the proposed pilot well and will advise Consultant to mobilize and deploy their various Experts at site for supervision of the entire drilling and completion activities as necessary during implementation phase.
- (vii) Estimated Drilling Time will be around **12 Weeks from the date of spudding**.
- (viii) Installation of complete Surface Set-up to facilitate Steam Injection and experimental production of heavy oil : **4 Weeks after completion of drilling**
- (ix) On-the-job supervision of steam stimulation jobs and subsequent production operations by the relevant Expert of Consultant: **(16 Weeks Steam Injection + 24 Weeks Experimental Production : Total 40 Weeks)**

Note : Prior to Steam Stimulation Process, Consultant to check as per HAZOP study of surface steam injection and production set-up (which shall be installed by OIL at site after drilling and completion of the well) and to issue certification for the adequacy of the system.

- (x) After completion of jobs under Srl. No. (ix) above, the Consultant to prepare and submit draft report including future field development plan: **6 Weeks after completion of site jobs**.
- (xi) To conclude the project (Pilot # 2 experimentation), the Consultant must give a detailed presentation to OIL officials at Jodhpur/Delhi on various aspects including their findings, working experience and other techno-commercial aspects of this Pilot Project and their final suggestions/recommendations for future field development plan on Baghewala Heavy Oil Field and submit the final report: **4 Weeks after submission of draft report as per (x) above**.

9.0 LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY EXECUTION

9.1 The Tentative Time Schedule for the Project completion as shown above is purely as estimated by Company. However, Bidders are requested to quote their own time schedule and submit supporting **Time vs Activity Chart** as part of their Technical bid.

9.2 The Consultant must adhere to the Time schedule mutually agreed in the contract, failing which Liquidated Damages will become applicable under the following situation.

- (a) In the event of the Consultant's failure to submit the final report on well design etc. within 14 (fourteen) weeks [against para 8(i), (ii), (iii) & (iv) above] or a mutually agreed time schedule incorporated in the contract, the Consultant shall be liable to pay liquidated damages @ 0.5% per week or part thereof of delay subject to maximum of 7.5% of the sum total evaluated value of the activities up to submission of Final Report (corresponding to Srl. No. 1 and 2 of Price Schedule Format vide Proforma-II, Section-VI).
- (b) In the event of the Consultant's failure to submit Final Report on Field Development Plan within 10 (ten) weeks [against para 8(ix) & (x) above] or a mutually agreed time frame after completion of pilot implementation/site jobs, the Consultant shall be liable to pay liquidated damages @ 0.5% per week or part thereof of delay subject to maximum of 7.5% of the total evaluated value of the activities against para 8(ix) & (x) above (corresponding to Srl. No. 4 of Price Schedule Format vide Proforma-II, Section-VI).

- 9.3 The Liquidated damages as mentioned above are genuine pre-estimate of damages (not penalty) duly agreed by both the parties and Company will recover/deduct the same from Contractor's bill/invoice as applicable. However, under no circumstance, the sum total amount of Liquidated Damages towards Consultant's default in timely execution will exceed 7.5% of the value of the respective activities as mentioned in para 9.2 (a) and (b) above.
- 9.4 The Company also reserves the right to cancel the contract without any compensation whatsoever in case of Consultant's failure to adhere to the agreed time schedule of any group of activities. Upon occurrence of such a situation, Company will make payment only for the jobs executed fully by Consultant in accordance with contractual stipulations and to the satisfaction of Company.

10.0 PERFORMANCE SECURITY

- 10.1 Within 30 days after Consultant's receipt of notification of award of the Contract, Consultant shall furnish Performance Security to Company in the Form of a Bank Guarantee as per format provided vide Section-VIII of the Bid Document for 7.5 % of the total calculated contract value as mentioned in the "Forwarding Letter" from a bank Located in India, covering entire contractual period plus three months for lodging claim, if any. The Bank Guarantee should be endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan), India or alternatively at New Delhi (India).

The proceeds of the performance security shall be payable to Company as compensation for any loss resulting from Consultant's failure to complete its obligations under the contract.

INVOCATION OF PERFORMANCE BANK GUARANTEE

- 10.2 In the event of Consultant failing to honour any of the commitments entered into under the contract and/or in respect of any amount due from Consultant to Company, Company shall have an unconditional option under the guarantee to invoke the Performance Bank Guarantee and claim the amount from Bank.
- 10.3 Company will have the right to invoke the Performance Bank Guarantee in case the Consultant fails to execute the jobs within the stipulated period irrespective of any reasons whatsoever.
- 10.4 The performance security shall denominated in the currency of the Contract, or in another freely convertible currency acceptable to Company. The performance bank guarantee shall be kept valid up to at least three months beyond the contract completion date, including extension, if any.
- 10.5 The performance security will be discharged by Company upon successful completion of Consultant's performance obligations, including any warranty obligations, if any.

(END OF SECTION-IV)

SECTION - V

BID FORM AND PRICE SCHEDULE

(a) BID FORM :

Date :
Tender No. : JCO 8084 L11

M/s Oil India Limited
Rajasthan Project
12, Old Residency Road
JODHPUR-342011

Gentlemen,

Having examined the General and Special Conditions of Contract and the Scope of Work / Services including all attachments thereto, the receipt of complete Tender Document is hereby duly acknowledged. We, the undersigned, offer to perform the services in conformity with the said conditions of Contract and Terms of Reference for the sum of (Total Bid amount in words and figures) or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this bid.

If our bid is accepted, we will provide a guarantee from a Bank for a sum not exceeding 7.5 % (seven and half percent) of the total calculated contract value for the due performance of the Contract.

We agree to abide by the bid for a period of 180 days from the date fixed for technical bid opening and it shall remain binding upon us and may be accepted at any time before expiry of that period.

Until a formal contract is prepared and executed, this bid, together with your written acceptance thereof in your notification of award shall constitute a binding contract between us.

We understand that you are not bound to accept lowest or any bid you may receive.

Dated this _____ day of _____ 2010.

(SIGNATURE)

(In the capacity of)

Consultant's Name: _____
Consultant's Address _____

(b) SCHEDULE OF RATES :

1.0 Service Charges for Collection of all available and relevant data/information from OIL, Jodhpur on Baghewala field and to review the present status of the exploitation of Heavy oil in Rajasthan field and to suggest the way forward till undertaking drilling of Pilot well up to Jodhpur Sandstone and submission of report.

Bidders must quote their charges for above on lumpsum basis considering all expenditures they would be likely to incur. The cost should include the airfare/inland transportation, en-route expenditure and hotel accommodation etc. of Consultant's personnel during their visit with respect to initial discussion, collection of relevant data/information. Charges for requisite man-day, equipment and stationery etc. in studying/analyzing the available data/information should also be included. Company will not reimburse any of above costs over and above the charges quoted by the bidder. All expenditure associated with above jobs including the boarding/lodging at Jodhpur/Delhi will be borne by the Consultant.

2.0 Service Charges for the following studies and submission of Reports on implementation of Pilot Project (Pilot#2):

- (a) Study of the high angle Well Design for Jodhpur-Bilara formation, already provided by M/s. PDVSA, and to suggest any modification/improvement thereto and finalize the well design for field implementation by OIL.
- (b) HAZOP study of existing/proposed Steam Injection and Production Surface Set-up & recommendation. After installation of Surface set-up, Consultant will check and certify the adequacy of the system.
- (c) Identification of the specialized services and materials including their potential sources, specifications etc., required for completion of above well together with cost estimates.
- (d) Preparation and submission of Draft Report compiling all above and give presentation to OIL officials at Jodhpur/ Delhi and finalization of programme for implementation of Pilot Project (Pilot #2).
- (e) Compilation of views/suggestions, if any, of OIL on the draft report and prepare a final report incorporating all above aspects therein and submit the same to OIL for implementation of the Project.

Bidders must quote their charges for above on lumpsum basis considering all expenditures they are likely to incur. The cost should include the airfare/inland transportation, en-route expenditure and hotel accommodation etc. of Consultant's personnel during their visit for giving presentation to OIL personnel at Jodhpur/Delhi on their Draft Report. Charges for requisite man-day, equipment and stationery etc. in studying/analyzing the available data/information and deciding the details about the implementation of the pilot project should also be included. Company will not reimburse any of above costs over and above the charges quoted by the bidder. All expenditure associated with above jobs including the boarding/lodging at Jodhpur/Delhi will be borne by the Consultant.

3.0 Charges (Man-Day Rates) for Services of various Experts at site (Baghewala) during implementation phase of the Pilot Project :

Consultant to depute their various Experts to site (Baghewala) for supervision of their respective jobs during implementation of the Project. Company will secure all requisite services/materials based on Consultants initial Report upon finalization of the modality of implementation after Consultants presentation and the actual site jobs will be carried out by Company or Company's other Contractor. Consultant's Experts will supervise the jobs and guide the working personnel including Company's representative(s) at site to ensure that the jobs are executed in cost effective and technically correct manners.

The charges should include to and fro traveling costs from their base to Jodhpur & en-route expenditure, charges for accommodation at Jodhpur, if any, in addition to any other expenditure related to formalities/documentations and the daily service charges for their stay at site during Project implementation.

Local Transport of Experts between Jodhpur and Baghewala Project site will be provided by Company. Also, food, accommodation and on-site first aid facilities as provisioned by Company will be extended to the Experts free of cost.

NOTE : 1. The Day Rate for Consultant's various Experts at site during implementation phase shall commence from the date & time they report at site and ceases when they leave the site after due supervision. For calculation of hourly rate for the purpose of payment, the man-day rate will be pro-rated accordingly.

4.0 Charges for submission of comprehensive Final Report on Pilot # 2 experimentation including future field development plan with economics and presentation on above to OIL officials at Jodhpur/Delhi :

Bidders must quote their charges for above on lumpsum basis considering all expenditures they would incur for the purpose. The cost should include the airfare/inland transportation, en-route expenditure and hotel accommodation etc. of Consultant's personnel during their visit with respect to giving presentation to OIL personnel at Jodhpur/Delhi on their Final Report. Charges for requisite manpower, equipment and stationery etc. in preparing the Report must also be included. Company will not reimburse any costs over and above the charges quoted by the bidder. All expenditure associated with above jobs including the boarding/lodging at Jodhpur/Delhi will be borne by the Consultant.

(END OF SECTION – V)

SECTION - VI

BID EVALUATION CRITERIA/BID REJECTION CRITERIA

A) **BID REJECTION CRITERIA (BRC):**

The Bid shall conform generally to the specifications and terms and conditions including the scope of work/services detailed in the Tender/bidding document. Bids will be rejected in case services offered do not conform to the required parameters stipulated in the technical specifications/scope of work/terms of reference. Notwithstanding the general conformity of the bid to the stipulated specifications/terms, the following requirements will have to be particularly met by the bidders without which the same will be considered as non-responsive and rejected.

1.0 TECHNICAL

1.1 The bidder should have experience and expertise in execution of Cyclic Steam Stimulation/SAGD Projects for exploitation of heavy oil involving G&G study, Well design for high angle/horizontal well, detailed engineering including casing policy and pre-stressing, mud engineering and formulation, deviation drilling, thermal well completion for recovery through CSS/SAGD process including artificial lift, where multidisciplinary jobs are involved. The bidder must have successfully carried out at least one such integrated services broadly of similar kind of multidisciplinary nature anywhere in the world during last 10 years calculated up to the scheduled bid closing date. Documentary evidence conforming their experience as above must be submitted along with the technical bid, failing which the offer will be rejected.

(Note : Documents establishing successful execution as above must be submitted along with the techno-commercial bid. These documents should be in the form of duly attested copies of contracts/work orders/completion certificates/payment certificates etc. issued by clients).

1.2 Bidder should be able to provide services of adequately qualified and trained/experienced key-manpower for deployment to the project as furnished in para 5.2 and 6.0 of Section-IV above. Technical bid should include bio-data and experience of the personnel proposed to be deployed which shall comply to the requirements, failing which the offer will not be accepted.

1.3 Bids which do not include all the jobs/services mentioned in the tender document will be considered as incomplete and rejected.

2.0 COMMERCIAL

2.1 The bids are to be submitted in triplicate under **single stage two bid system** i.e., Technical Bid (un-priced) and Commercial bid (priced), submitted together in separate envelopes. Both the Bids should be identical, except that only the Commercial Bid should contain the rates/prices. The Bid will be summarily rejected if the Technical bid contains rate/price.

2.2 Bidders shall offer firm prices. The rates quoted by the successful bidder must remain firm throughout execution of the contract, including extension period, if any, and should not be subject to variation on any account.

- 2.3 Bid security shall be furnished as a part of technical requirement and the same must be submitted alongwith the Technical bid. The amount of bid security should be as specified in the “Forwarding Letter”. Bid not accompanied by a proper bid security (except those exempted) will be rejected.
- 2.4 Bids received after the stipulated bid closing date and time will be rejected outright.
- 2.5 Any bid received in the form of Telex/Cable/Fax/E-mail or prepared by the Indian Agent on behalf of their Principal will not be accepted.
- 2.6 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder or his authorized representative on all pages, failing which the bid will be rejected.
- 2.7 Bids shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person (s) signing the bid. White fluid must not be used for making corrections. Any bid not meeting this requirement shall be rejected.
- 2.8 Any bid containing false/incorrect statement will be rejected. Also, the conditional offers shall not be considered.
- 2.9 Bids must be kept valid for a minimum period of 180 days from the date of scheduled bid closing for acceptance and award of contract by Company. Bids with inadequate validity will be rejected.
- 2.10 Bidders must quote clearly and strictly in accordance with the Price Schedule outlined in Price Bid Proforma (PROFORMA-II), enclosed herein, otherwise the bid will be summarily rejected.
- 2.11 Bidder must accept and comply with the following clauses as given in the Bidding Document in toto; failing which offer will be rejected.
- (a) Performance Guarantee clause
 - (b) Tax liability Clause
 - (c) Insurance Clause
 - (d) Force Majeure Clause
 - (e) Termination Clause
 - (f) Arbitration clause
 - (g) Liability Clause
 - (h) Applicable Law clause
 - (i) Obligation of Bidders Clause
 - (j) Liquidated Damages clause

3.0 **GENERAL**

- 3.1 The Compliance Statement (PROFORMA-I) should be duly filled up by the Bidder and should form a part of the Technical Bid. In case a bidder takes exception to any clause of tender document, not covered under BEC/BRC, then Company will have the option to load or reject the offer on account of such exception/deviation, if the bidder does not withdraw/modify the deviations when/as advised by Company. The loading so done by Company will be final and binding on the bidder.

- 3.2 To ascertain the substantial responsiveness of the bids, Company reserves the right to ask the bidders for clarifications in respect of clauses covered under BEC/BRC also and such clarifications fulfilling the BEC/BRC clauses in toto must be received on or before the deadline given by the Company, failing which the offer will be summarily rejected.
- 3.3 The Bid Documents are not transferable. Offers made by Bidders, who have not been issued the tender Document by Company, will be rejected.
- 3.4 The Company also reserves the right to cancel/withdraw the Tender or annual the bidding process at any time prior to award of contract, without thereby incurring any liability to the bidders or any obligation to inform the bidders of the grounds for Company's action.
- 3.5 If any of the clauses in the BEC/BRC contradicts with other clauses of Bid document elsewhere, then the clauses in the BEC/BRC shall prevail.

B) BID EVALUATION CRITERIA (BEC):

- 1.0 The bids conforming to the Scope of Work, Technical Specifications, Terms and Conditions stipulated in the bidding document and considered to be responsive after subjecting to Bid Rejection Criteria (BRC) will only be considered for further evaluation as per the Bid Evaluation Criteria given below.
- 2.0 Cost details will be evaluated on the basis of rates quoted by the technically qualified bidders as per the Price Schedule Format (PROFORMA-II) to ascertain their inter-ranking to qualify for award of contract. The contract will be signed with the successful bidder for execution of entire activities as envisaged herein.
- 3.0 It is, however, to be clearly understood that the assumptions made in respect of the number of days/parameters for various activities are only for the purpose of evaluation of the bids. The Consultant will be paid on the basis of the actual number of days/parameters, as the case may be, during the job execution at the contractual rates agreed by both the parties.
- 4.0 In the event of computational error between unit rate and total price, the unit rate as quoted by the bidder in original bid shall prevail. Similarly, in the event of any discrepancy between words and figures, the unit rates as quoted in words shall prevail.
- 5.0 For evaluation of the bids, B.C Selling (market rate) of State Bank of India prevailing one day prior to the priced bid opening will be considered. Where the time lag between the price bid opening and final decision exceeds three months, the rate of exchange prevailed on the date prior to the date of final decision will be adopted for conversion in to single currency.
- 6.0 Evaluation of Bids will be as per enclosed Proform – II for arriving at the total estimated cost of the contract.

STATEMENT OF COMPLIANCE
(Only exceptions/deviations to be rendered)

SECTION NO. (PAGE NO.)	CLAUSE NO. SUB-CLAUSE NO.	COMPLIANCE/ NON COMPLIANCE	REMARKS

(Authorised Signatory)
Name of the bidder _____

NOTE: OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, should the bidders still envisage some exceptions/deviations to the terms and conditions of the bid document, the same should be indicated as per above format and submit alongwith their technical bids. If the proforma is left blank, then it would be construed that the bidder has not taken any exception/deviation to the terms and conditions of the bid document.

**PRICE SCHEDULE FORMAT
FOR COMMERCIAL EVALUATION**

Bid Currency :

Sl.No.	Description	Unit	Quantity	Unit Rate	Amount
01	Service Charges for Collection of all available and relevant data/information from OIL, Jodhpur on Baghewala field and to review the present status of the exploitation of Heavy oil in Rajasthan field and to suggest the way forward till undertaking drilling of Pilot well up to Jodhpur Sandstone and submission of report.	Lumpsum	One		
02	Service Charges for - (a) Study of the high angle Well Design for Jodhpur-Bilara Sandstone, already provided by M/s. PDVSA, and to suggest any modification/improvement thereto and finalize the well design for field implementation by OIL. (b) HAZOP study for existing/proposed steam injection and production Surface Set-up & recommendation. After installation of surface set-up consultant will check and certify the adequacy of the system. (c) Identification of the specialized services and materials including their potential sources, specifications etc., required for completion of above well together with cost estimates. (d) Preparation and submission of Draft Report compiling all above and give presentation to OIL officials at Jodhpur/ Delhi and finalization of programme for implementation of Pilot Project (Pilot #2). (e) Compilation of views/suggestions, if any, of OIL on the draft report and prepare a final report incorporating all above aspects therein and submit the same to OIL for implementation of the Project.	Lumpsum	One		
03	Provide services of Experts at site for field supervision during the implementation phase of Pilot Project (Pilot # 2), as under :				
	i) Services of Geoscientific Expert	Man-day*	100		
	ii) Services of Reservoir Engineering Expert	Man-day	90		
	iii) Services of Drilling Specialist	Man-day	90		
	iv) Services of Mud Engineering Expert	Man-day	75		
	v) Services of Deviation Drilling Expert	Man-day	45		
	vi) Services of Casing Pre-stressing Expert	Man-day	20		
	vii) Services of Thermal Cementation Expert	Man-day	30		
	viii) Services of Well Completion Expert	Man-day	20		
	ix) Services of Well Stimulation Expert	Man-day	120		
	x) Services of Heavy Oil Production Expert	Man-day	180		

Sl.No.	Description	Unit	Quantity	Unit Rate	Amount
04	<p>Preparation and submission of Final Report on Pilot # 2 experimentation including future field development plan with economics. Presentation on above to OIL officials at Jodhpur/Delhi.</p> <p>The final report shall cover future development plan including following areas :</p> <p>a) Decision on metallurgy and materials of construction for well completion and production facilities.</p> <p>b) Optimization of steam injection quality/quantity and duration per cycle, soaking period and subsequent production period per cycle.</p> <p>c) Identification & requirement of additives and inhibitors for treatment of produced crude including dosing rates to be evaluated during pilot experimentation.</p> <p>d) A suitable ori-emulsion or any other alternative suitable technology to be developed for the produced crude during pilot experimentation which shall be required for storage and transportation of the same.)</p>	Lumpsum	One		

* Man-day means per man-day of 24 hours.

TOTAL EVALUATED CONTRACT VALUE : (SUM TOTAL OF ALL ABOVE)

- NOTE: 1. The bidders are to quote the prices inclusive of all taxes and duties including but not limited to customs duty, corporate/personal taxes, Service Tax etc. as. However, R & D Cess, applicable if any, against this contract will be to OIL's account.
2. Bid in which the rate of any part of work is not quoted, shall be rejected. However, if no charge is involved for any portion of work, Bidder should mention "NIL" against such item.
3. Items referred in the Price Schedule above, should be read in conjunction with the details as defined in Section – V of Tender Document.

INTEGRITY PACT

Between

Oil India Limited (OIL) hereinafter referred to as "The Principal"

And

(Name of the bidder).....hereinafter referred to as "The Bidder/Contractor"

Preamble:

The Principal intends to award, under laid down organizational procedures, contract/s for -----
----- . The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder/s and Contractor/s.

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organization "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an external independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section: 1 -Commitments of the Principal

(1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:

1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.

2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.

3. The Principal will exclude from the process all known prejudiced persons.

(2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a Page 2 of 6 substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section: 2 -Commitments of the Bidder/Contractor

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
1. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 2. The Bidder/Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, Subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 3. The Bidder/Contractor will not commit any offence under the relevant Anticorruption Laws of India; further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 4. The Bidder/Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder/Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 -Disqualification from tender process and exclusion from future Contracts

If the Bidder, before contract award has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or risibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

1. If the Bidder/Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder/Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressions within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
2. The Bidder accepts and undertakes to respect and uphold the Principal's Absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

3. If the Bidder/Contractor can prove that he has restored/recouped the Damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.
4. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 -Compensation for Damages

1. If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to 3 % of the value of the offer or the amount equivalent to Earnest Money Deposit/Bid Security, whichever is higher.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.
3. The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder/Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount or the liquidated damages, the Bidder/Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 -Previous transgression

1. The Bidder declares that no previous transgression occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section: 6 -Equal treatment of all Bidders/Contractor/Subcontractors

1. The Bidder/Contractor undertakes to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section: 7 -Criminal charges against violating Bidders/Contractors/ Subcontractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor, which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section: 8 -External Independent Monitor/Monitors

(three in number depending on the size of the contract)

(to be decided by the Chairperson of the Principal)

1. The Principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.
3. The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder/Contractor/Subcontractor with confidentiality.
4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the Monitor has reported to the Chairperson of the Board a Substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
8. The word 'Monitor' would include both singular and plural.

Section:9 -Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/ lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by Chairperson of the Principal.

Section:10 -Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Noida.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor is a partnership or a consortium, this agreement must be, signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

.....
For the Principal

.....
For the Bidder/Contractor

Witness 1:

Witness 2:

Place. JODHPUR.
Date

NAME OF INDEPENDENT EXTERNAL MONITORS:

- (a) Shri N. Gopaldaswami, IAS (Retd.).
Phone: +91-44-2834-2444 (Res), 96001 44444 (Mobile).
E-mail: gopaldaswamin@gmail.com
- (b) Shri Ramesh Chandra Agarwal, IPS.
Phone: +91-9810787089, 91-1122752749.
E-mail: rcagarwal@rediffmail.com

(END OF SECTION-VI)

SECTION - VII

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, (Name of Bidder)----- (hereinafter called “the Bidder”) has submitted his bid date (Date)-----for the provision of certain oilfield services (hereinafter called “the Bid”). KNOW ALL MEN by these presents that We (Name of Bank)-----of (Name of Country)----- having our registered office at----- (hereinafter called “the Bank”) are bound unto Oil India Limited (hereinafter called “Company” in the sum of (-----)* for which payment well and truly to be made to Company, the Bank binds itself, its successors and assignees by these present. SEALED with the common seal of the Bank This-----day of-----,2010.

THE CONDITIONS of this obligation are:

- (1) If the Bidder withdraws his Bid during the bid validity specified by the bidder.
- (2) If the Bidder, having been notified of the acceptance of his Bid by the Company during the period of Bid validity:
 - (a) fails or refused to execute the Form of Agreement in accordance with the Instructions to Bidders, on tender document;
 - or
 - (b) fails or refused to furnish the Performance Security in accordance with the Instructions to Bidders on tender documents.

We undertake to pay to Company to the above amount upon receipt of its first written demand, (by way of letter/fax/cable) without Company having to substantiate its demand, provided that in its demand Company will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions specifying the occurred condition or conditions.

This guarantee will remain in force up-to and including the date (date of expiry of bank guarantee should be minimum 60 days beyond the validity of the bid) any demands in respect thereof should not reach the bank not later than the above date.

* The bank should insert the amount of guarantee in words and figures

Date:

Signature of issuing authority of Bank with
Designation seal and seal of the Bank

(END OF SECTION-VII)

SECTION - VIII

FORM OF PERFORMANCE BANK GUARANTEE* (UNCONDITIONAL)

To : (Name of Company-----)
(Address of Company-----)

WHEREAS -----(Name and address of Consultant) (hereinafter called as “Consultant”) had undertaken, in pursuance of Contract No.-----dated-----to execute (Name of Contract and Brief description of the work)-----
----- (hereinafter called “the Contract”),

AND WHEREAS it has been stipulated by you in the said Contract that the Consultant shall furnish you with a bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the contract;

AND WHEREAS we have agreed to give the Consultant such a Bank Guarantee, NOW HEREBEFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Consultant, up to a total of (Amount of Guarantee) **----- (in words)-----such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of the Guarantee sum as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Consultant before presenting us with the demand.

We further agree that no change or addition to or other modifications of the terms of the contract or of the work to be performed there-under or of any of the contract documents which may be made between you and Consultant shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee is valid until the date ()*** thee months after Contract completion.

SIGNATURE & SEAL OF THE GUARANTOR _____
Name of Bank _____
Address _____
Date _____

* Bidders are NOT required to complete this form while submitting the Bid.

** The amount is to be inserted by the Guarantor, representing the percentage of the Contract price specified in the forwarding letter, and denominated either in the currency of the Contract or in a freely convertible currency acceptable to the Company.

***As per para 11.4 under Section-IV.

(END OF SECTION-VIII)

SECTION - IX

SAMPLE FORM OF AGREEMENT

THIS AGREEMENT is made on the _____ date of 2010, between (Name of Company) _____ of (Mailing address of Company) _____, hereinafter called "the Company", of the one part and (Name of Consultant) _____ (hereinafter called "the Consultant") of the other part.

WHEREAS the Company is desirous that certain works should be executed viz. (Brief description of works) _____ and has, by Letter of Acceptance dated (Date of Letter of Acceptance) _____, accepted a Bid by the Consultant for the execution, completion and maintenance of such works. NOW THIS AGREEMENT WITNESSETH as follows:

1. In this agreement words and expressions shall have the same meanings as are respectively assigned to them in the conditions Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz:
 - a) This form of Agreement,
 - b) The Letter of Acceptance,
 - c) The said Bid and Appendix,
 - d) The Technical Specifications and
 - e) The Priced Bill of Quantities,
 - f) The Drawings,
 - g) The Schedules of Supplementary Information,
 - h) The Special Conditions of Contract and
 - i) The General Conditions of Contract (Section II)
3. The aforesaid documents shall be taken as complementary and mutually explanatory or one another, but in the case of ambiguities or discrepancies they shall take precedence in the order set out above.
4. In consideration of the payment to be made by the Company to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Company to execute, complete and maintain the works in conformity in all respects the provisions of the contract.
5. The Company hereby covenants to pay the Consultant in consideration of the execution, completion and maintenance of the works the Contract price at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have set their respective hands and seals to this Agreement on the day, year first written above.

SIGNED, SEALED AND DELIVERED.

Name _____

One behalf of the Consultant
in the presence of:

Name _____

On behalf of the Company
in the presence of:

(END OF SECTON – IX)