



**Government of Pakistan**  
**Ministry of Energy**  
(Petroleum Division)  
Block A, Pak Secretariat Islamabad

**APPLICATION FORM FOR  
PREQUALIFICATION / OPEN FRAME WORK **AGREEMENT** OF FIRMS FOR  
TECHNICAL ADVISORY (TA) SERVICES FOR THREE YEARS ON AN AS-AND-  
WHEN REQUIRED BASIS**

**Number:** \_\_\_\_\_

## **INTRODUCTION & TERMS AND CONDITIONS**

### **1. INTRODUCTION**

#### ***1.1. Ministry of Energy***

Ministry of Energy (MOE) has been established after the reorganization of the Federal Secretariat by Cabinet Division on 4<sup>th</sup> August, 2017. Ministry of Energy comprises of two Divisions namely, Petroleum Division (PD) and Power Division (PD). Prior to that the Petroleum Division was known as Ministry of Petroleum and Natural Resources which was created in April 1977 after bifurcation of Ministry of Fuel, Power and Natural Resources.

Mission of MOE is to ensure availability and security of sustainable supply of oil and gas for economic development and strategic requirements of the country and to coordinate development of natural resources of energy and minerals, in order to cater for needs of the people of Pakistan.

#### ***1.2. Functions of Petroleum Division***

The Division is responsible for dealing with all matters relating to oil, gas and minerals. Its detailed functions as per the Rules of Business are as under:

1. All matters relating to oil, gas and minerals at the national and international levels including:
  - i) Policy, legislation, planning regarding exploration, development and production of oil & gas sector;
  - ii) import, export, refining, distribution, marketing, transportation and pricing of all kinds of petroleum and petroleum products (Prices of all kinds of petroleum and petroleum products are determined by Oil and Gas Regulatory Authority
  - iii) Matters bearing on international aspects;
  - iv) Federal agencies and institutions for promotion of special studies and development programmes.
  
2. Geological Surveys.
  - i) Administration of Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948, and rules made there-under, in so far as the same relates to exploration and production of petroleum, transmission, distribution of natural gas and liquefied petroleum gas, refining and marketing of oil;
  - ii) Petroleum concessions agreements for land, off-shore and deep seas areas;

- iii) Import of machinery, equipment, etc., for exploration and development of oil and natural gas.

3. Administration of

- i) Marketing of Petroleum Products (Federal Control) Act 1974 and the rules made there-under;
- ii) Matters relating to Federal investments and undertakings wholly or partly owned by the Government in the field of oil, gas and minerals, excepting those assigned to the Industries and Production Division.

4. Administration of:

- i) The Petroleum Products (Development Surcharges) Ordinance, 1961, and the rules made there-under:
- ii) The Natural Gas (Development Surcharges) Ordinance, 1967, and the rules made there-under; and
- iii) The Esso Undertakings (Vesting) Ordinance, 1976; and
- iv) Hydrocarbon Development Institute of Pakistan Act, 2006 (I of 2006) and the rules made there-under.

5. Coordination of:

- i) energy policy, including measures for conservation of energy and energy statistics;
- ii) Secretariat of National Energy Policy Committee.

6. Central Inspectorate of Mines, Islamabad.

7. Department of Explosives.

**1.3. Organization of Petroleum Division**

The Ministry of Energy (Petroleum Division) has been organized into four wings i.e.

- i) Administration,
- ii) Development,
- iii) Mineral and
- iv) Policy.

The Division has two attached department, one sub-ordinate office, one autonomous body and several state-owned companies / organizations under its administrative control:

***Attached Departments***

- Geological Survey of Pakistan (GSP)
- Department of Explosives

***Sub-Ordinate Office***

- Central Inspectorate of Mines (CIM)

***Autonomous Body***

- Hydrocarbon Development Institute of Pakistan (HDIP)

***State-owned Companies (SOEs)***

1. Oil and Gas Development Company Limited (OGDCL)
2. Sui Northern Gas Pipelines Limited (SNGPL)
3. Sui Southern Gas Company Limited (SSGCL)
4. Pakistan State Oil Company Limited (PSOCL)
5. Pakistan Petroleum Limited (PPL)
6. Pak Arab Refinery Company Limited (PARCO)
7. Saindak Metals Limited (SML)
8. Lakhra Coal Development Company (LCDDC)
9. Government Holdings (Private) Limited (GHPL)
10. Pakistan Mineral Development Corporation (Private) Limited (PMDC)
11. Inter State Gas Systems (Private)Limited (ISGSL)
12. Pakistan LNG Limited (PLL)
13. Pakistan LNG Terminal Limited (PLTL)
14. Enar Petrochemical Limited (Enar)

**1.1 Invitation of Applications**

Applications are invited for PREQUALIFICATION / OPEN FRAME WORK **AGREEMENT** OF FIRMS FOR TECHNICAL ADVISORY (TA) SERVICES FOR THREE YEARS ON AN AS-AND-WHEN REQUIRED BASIS

**2. SUBMISSION OF APPLICATIONS.**

- 2.1 The pre-qualification application shall be submitted in duplicate (one marked "ORIGINAL" and the one marked "COPY") in a sealed envelope clearly marked as: "Application For PREQUALIFICATION / OPEN FRAME WORK **AGREEMENT** OF FIRMS FOR TECHNICAL ADVISORY (TA) SERVICES FOR THREE YEARS ON AN

AS-AND-WHEN REQUIRED BASIS” AGAINST PRE-QUALIFICATION NOTICE NO:  
\_\_\_\_\_” must be delivered / dropped in the tender box / MOE reception at  
time & date mentioned in Press Tender Notice” at the following address:-

**Procurement Department**  
**Ministry of Energy**  
(Petroleum Division)  
Block A, Pak Secretariat Islamabad, Pakistan  
Phone No. 92-51-\_\_\_\_\_  
Email: \_\_\_\_\_

- 2.2 The sealed envelope shall indicate the name and address of the Applicant.
- 2.3 All the pages of application shall be signed and stamped by Applicant’s authorized Representative(s).
- 2.4 **Language of Application**  
The Application must be prepared and submitted in English language. Supporting documents and attachments furnished by the Applicant must also be in English language.
- 2.6 **Cost of Pre-Qualification.**  
The Contractor shall bear all cost associated with the preparation and submission of application for Pre-Qualification. MOE shall under no circumstances be responsible or liable for such cost regardless of the out-come of the application process.
- 2.7 **Deadline for Submission of Application**
- 2.7.1 The original application, together with the required copies must be delivered / dropped in the tender box / MOE reception **at time & date mentioned in Press Tender Notice”** at the following address: - at the address specified in clause 2.1.
- 2.7.2 MoE may, at its discretion extend the deadline for the submission of applications by amending the Pre-Qualification documents in which case all rights and obligations of the MOE and Applicants previously subject to the deadline will thereafter be subject to the deadline as extended.

2.8 **Late Submission of Applications**

Any Application received after deadline for submission of Applications prescribed by the Company pursuant to Clause-2 will be rejected and returned unopened to the Applicant.

2.9 **Clarification of Applications.**

To assist in the examination, evaluation and comparison of Applications the Company may at its discretion, ask the Applicant for a clarification of its application.

2.10 **MOE'S Right to Accept or Reject any or All Applications.**

The Company reserves the right to accept or reject any application or to annul the Pre-Qualification process and reject all Applications at any time without thereby incurring any liability to the effected Applicant or any obligation to justify the affected Applicant or Applicants of the grounds for the MoE's action.

2.11 **Affidavit**

The Applicant shall provide an affidavit that his firm has never been blacklisted. In case the Applicant is in litigation or dispute or has involved in litigation or dispute with Ministry of Energy (MOE), details and nature of litigation and dispute may be indicated.

( \_\_\_\_\_ )  
Designation

\* MOE = Ministry of Energy

\*AOA= Article of Association

**TERMS OF REFERENCE (TOR) FOR**

**PREQUALIFICATION / OPEN FRAME WORK AGREEMENT OF  
FIRMS FOR TECHNICAL ADVISORY (TA) SERVICES FOR THREE  
YEARS ON AN AS-AND-WHEN REQUIRED BASIS**

Committee

## 1. Introduction

Ministry of Energy (Petroleum Division) (the “Ministry”) would like to solicit proposals for Pre-Qualification of potential *TECHNICAL ADVISORY (TA) FIRMS* having requisite capability, experience and expertise *FOR PREQUALIFICATION / OPEN FRAME WORK AGREEMENT OF FIRMS FOR TECHNICAL ADVISORY (TA) SERVICES FOR THREE YEARS ON AN AS-AND-WHEN REQUIRED BASIS.*

## 2. Conditions for eligibility

The successful bidder, fulfilling the following criteria, will be considered as an eligible bidder for the evaluation process:

Sr. #	Item Description	Documents/Proof
1	Consulting Firm must be in operation for at least the last 03 years.	Audited Financial Statements of last 3 years
2	Must be licensed by SECP or relevant regulatory bodies	Certificate of Registrations with relevant regulatory bodies
3	Must possess registration of NTN and of General Sales Tax (GST)with Federal Board of Revenue (FBR) and having Active Tax Payer status.	Tax Registration Certificates with FBR
4	Be able to prove registration as a company or firm and should have fully operational office / head office in Pakistan with a registered office in Islamabad.	Certificate of Incorporation from SECP, Registration Certificate of Firms and details of Registered Office in Islamabad.
5	A Consulting firm must have clearly indicated rendering of Financial or Accounting	Certified Copy of AoA indicated the firm object clause include rendering of Financial or Accounting Consulting or related Services.



Sr. #	Item Description	Documents/Proof
	Consulting or related Services in its Articles of Association	
6	Must provide an Affidavit that it is not blacklisted and involved in any active litigation against Government of Pakistan or provincial governments anywhere.	Notarized Affidavit by Company on PKR 100 stamp paper
7	Must prove that its average annual revenue for the last 3 years is at least PKR 120 million per year or PKR 360 million in aggregate during last 3 years	Audited Financial Statements of last 3 years
8	The Firm (at the time of the submission of this proposal) must be in business of providing consulting services to clients in energy sector/multinational companies/ corporate clients.	Documentary proof (copies of contract or work order by clients or delivery receipts) should be furnished.

Kindly fill all annexures required for the above qualification criteria and attach the supporting documentary evidences as mentioned in each annexure.

The following main tasks and responsibilities are expected to be delivered upon by the selected Firm:

### 3. Scope of Work

The Technical Advisors for the proposed transactions, shall be able to advise, validate, certify, review, inspect, assess and scrutinize matters related to petroleum sector upstream, midstream and downstream, that is:

- i) Health, Safety, Quality and Environmental Studies
- ii) Geotech/ Geological Surveys
- iii) Oil and Gas Wells, Mines production potential, life and capacities
- iv) On-shore, off-shore, land and deep-sea drilling, exploration, storage and transportation systems and technologies
- v) Oil and Gas Testing and Facilities Management
- vi) Standardization of Hydrocarbons

- vii) Technical evaluations of Petroleum facilities including Oil & Gas Wells/ Shortages, LNG/ RLNG Terminals/ Storages, Oil and Gas Transmission and Distribution Network, Retail Facilities etc.
- viii) Oil and Gas Storage and Transportation Methods, Technologies and Alternate Options
- ix) Advise/ review Analysis and Studies comprising of: Exploration, Source Rock Screening, Saturated and Aromatic Hydrocarbons, Biomarker, Water Testing, Gas Analysis, Sedimentology and Biostratigraphy, Reservoir Continuity, Characterization Porosity and Permeability, Core Analysis Coal Characterization and Ranking,
- x) Petroleum Data Analysis, Simulations and Models focusing all (whichever available) geological, geophysical, drilling, production testing data, well logs, core data, sedimentological, well structure and stratigraphic correlations/cross sections, BHP data, PVT data, pressure data, completion histories, all relevant data related to the current or proposed well(s) and fluid analysis data
- xi) Review all technical/ Techno-Economic studies
- xii) Advise on optimum production operation conditions related to Oil and Gas Operations
- xiii) Any other related matter falling within the preview of Petroleum Division, MOE.
- xiv) Assessment and evaluation of technical, operational, financial and commercial issues of the LNG/LPG sector.
- xv) Analysis and Evaluation of policy related matters, regulatory issues and pertaining to import of the LNG/LPG sector in Pakistan
- xvi) Provision of updated information and assistance related to National and International Market Dynamics and trends and data concerning LNG market
- xvii) Matters pertaining to Third Party Access (TPA) in the gas sector (LNG terminals and networks).
- xviii) Need based analysis / time to time evaluation of LNG/LPG contracts/agreements in the supply chain.
- xix) Computation and monitoring of LNG / LPG pricing mechanisms and forecasting while also providing appraisals to keep track of current and budding regulatory

practices and compliance benchmarks as well as present status pertaining to functions and businesses of Petroleum Division and Regulator

#### 4. Prequalification Criteria

The prequalification is intended for reputed Technical advisory firms with experience in advising on such transactions. To ensure efficient provision of services to the Company the Technical Advisory Firm must have a presence in Pakistan either directly or through a partner.

Sr. No.	Description of criteria	Qualifying Criteria	Points available	Points Awarded
<b>Company/Firm Experience (Project Done for E&amp;P Companies/Organizations)</b>				
5.1	Bidder to list the number of integrated technical studies completed as mentioned in clause-3 of the document in the last 15 years - included in list should be country, brief technical description, year of delivery. Bidder may be requested to also provide additional study information for Company/Institution to properly evaluate the validity of the studies - this may include selected extracts from study deliverable reports etc.	15 or more  10 to 15  Less than 10	10  5  Non responsive	
<b>Number and type of relevant projects</b>				
5.2	Bidder to list the number of G&G/ and related studies completed for E&P companies/Government departments which are mentioned in clause-3 of the tender TOR in the last 15 years in Pakistan - included in list should be basin name, technical description, year of delivery. Bidder may be requested to also provide additional study information for Company to properly evaluate the validity of the study - this may include press releases, published papers, client feedback forms, completion certificates etc within the bounds of confidentiality limitations.	10 or more  5 to 10  Up to 5  Less than 5	10  5  3  Non-responsive	

<b>Technical Capabilities (Execution Program)</b>				
5.3	Ranking of the Bidder's proposed execution program compared to all Bidders as determined by Company technical evaluation team. In addition Ranking of the Bidder's integrated play to prospect workflow compared to other Bidders - note that the Bidder will be deemed non-responsive if they are unable to demonstrate to the Company technical evaluation team that they can apply a play-based exploration workflow containing up-to-date best-practice methodology which should include as a minimum: probabilistic resource estimations of both prospective and contingent resources; split risking to delineate plays and rank prospects; dry hole and success case well analysis; a well-defined methodology for determining yet-to-find; and a robust efficient quality assurance process. Reserve certification, unconventional play (tight gas/shale gas) study done on marginal fields, reserves certification, certification for new exploratory efforts. And any other job related to upstream and down-stream E&P activity. To achieve all the above, the Bidder will need to demonstrate that they have access to, and are readily conversant with, advanced software applications and technologies.	1st	35	
		2nd	25	
		3rd	15	
		4th or higher	Non responsive	
<b>List the name of clients in Pakistan</b>				
5.4	Bidder must provide the name of the clients for which they have done the technical work as mentioned at 5.3 of the table in last five years.	State own companies	5	
		Private companies	3	
		None of above	Non responsive	
<b>Knowledge Transfer - Training Program</b>				
5.5	Ranking of the Bidder's proposed knowledge transfer (training program) for Ministry's officers compared	1st	10	
		2nd	5	

	to other Bidders as determined by Company technical evaluation team	3rd	2	
		4th	Non responsive	
	<b>Total Marks</b>		<b>100</b>	
	<b>Qualifying Marks</b>		<b>70</b>	

**TOP 5 Firms securing maximum marks and above 70 shall be considered as Pre-qualified / Open frame work Agreement**

**a. Term of Services**

Initial term of PQ shall be Three (03) years under Open Framework Agreement

**b. Fee and Invoicing**

- i) Petroleum Division shall pay to the fees for each completed assignment or any case for which the Firm has been engaged as per the agreed terms and conditions.
- ii) The Firm shall raise an invoice within a period of fourteen (14) days after acceptance of work by Petroleum Division. The invoice shall include the activities duly undertaken and successfully completed, time spent on that particular activity, National Tax Number of the Firm, and title in whose name the payment is to be made. No payment shall be made to the Firm in advance.
- iii) Taxes shall be deducted at source as per applicable laws at the time of payment.
- iv) Payment shall be made, through cross cheque in Pakistan Rupees (PKR), within 30 days after receipt of an invoice from the Firm in the manner and form agreed above.
- v) The expenses for air fare, boarding and lodging, travelling for attending outstation activities and participation in meeting(s) other than Rawalpindi and Islamabad shall be paid on actual. Petroleum Division will not pay for boarding or lodging for the personnel engaged by the Firm from their offices other than Islamabad office except where prior concurrence of Petroleum Division is obtained.

**c. Confidentiality**

- i) The Firm agrees to hold in confidence any information disclosed to it by the Petroleum Division and designated in writing as confidential or which by its nature can reasonably be inferred to be confidential.
- ii) The Firm further agrees to require its consultants and employees to enter into appropriate nondisclosure agreements relative to such confidential information as may be communicated to them by the Law Firm and / or the Petroleum Division.
- iii) The provisions of above clause shall not apply to information which falls within any of the following categories:
  - a. Information which was in public domain prior to a Party's receipt thereof or which subsequently becomes part of the public domain by publication or otherwise except by the receiving Party's wrongful act; information which the receiving Party can show was in the receiving Party's possession prior to its receipt thereof through no breach of any confidentiality obligation.
  - b. Information required by any court, Government Authority or otherwise under any applicable law, and only to the extent required under intimation to the Petroleum Division. Neither Party shall publish the terms and conditions of this Agreement, unless the other Party provides its express prior written consent thereto.

**e. Conflict of Interest and Disclosure**

- a) The Firm shall provide professional, objective, and impartial advice and consultancy at all times hold the interests of Petroleum Division paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.
- b) The Firm shall disclose any situation of actual or potential conflict that impacts its capacity to serve the best interests of Petroleum Division. Failure to disclose any conflict may lead to the disqualification of the Law Firm and be liable for any loss which may result due to such conflict of interest.

**f. Dispute Resolution**

Parties agree, any dispute, controversy, difference, or claim arising out of or in connection to this consulting engagement, including any question regarding its existence, validity, interpretation, performance, breach, or termination, shall be referred to and finally resolved by Pakistan Arbitration Act 1940.

**Annexures**

**Annex –A**

Organization Information			
S #	Required Information	Response	
1	Legal name of the organization		
2	Year of Registration / Establishment of the Organization		
3	National Tax Number		
4	Sales Tax Number		
5	What is the legal status of your organization? Tick the relevant box (one box only). (Attach Copy/Copies of Registration Certificate/s)	Public Sector Organization	
		Public Ltd. Company	
		Private Ltd. Company	
		Private Partnership Firm	
		Others (Please specify)	
6	Name and designation of 'Head of Organization'		
7	Mobile:		
	Phone/s:		
	Email:		
	Fax:		
	Address of organization:		
	Website address:		
8	Name and designation of 'Contact Person':		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		
	Address of printing set up		
	Phone/s:		
	Mobile:		
	Email:		
	Fax:		






May like to add more columns

**Annex – D**

**DRAFT CONTRACT**  
**FOR HIRING OF SERVICES -----**

This contract for hiring of services to ----- (“**contract**”) is made at Islamabad as of this \_\_\_\_\_ day of \_\_\_\_\_ 2021, by and between:

**Ministry of Energy (MoE) Petroleum Division**, a Government body, having its registered office at -----, Islamabad (hereinafter referred to as the “**Ministry**” which expression shall include its successors and assigns) and

**M/s -----** having its registered office at ----- (hereinafter referred to as the “**Consultant**” which expression shall include its successors and assigns)

Ministry and Consultant may hereinafter be collectively referred to as the “parties” and each individually as a “party”.

**Whereas**, the MoE is desirous for hiring of services -----.

**And whereas**, the MoE invited bids for providing services to ----- under tender ----- and the contractor through its bid proposal # ----- dated ----- warrants and represents for providing efficient and reliable services to -----.

**Whereas**, the contractor is engaged in the business of rendering the desired services to various companies and it hereby expresses its ability and willingness to provide the desired services along with necessary equipment under this contract.

**Now therefore**, in consideration of the promises and mutual undertaking and covenants hereinafter set forth, the parties hereby agree as follows:

**SECTION 1. SCOPE OF WORK**

Description is as per Scope of Work / TOR of Tender # ----- for -----.

**SECTION 2. TERM:**

**The initial term of this Contract shall be for a period of ----- starting from the date of signing of contract** unless earlier terminated under the provisions hereof. Any extension in the term of Contract will be subject to mutual consent of both the parties.

### **SECTION 3. CONTRACT DOCUMENTS:**

The following documents shall be deemed to form and be read and construed as integral part of this Contract:

- (a) This Contract.
- (b) MoE's LOI # ----- dated: -----
- (c) Contractor's LOI acceptance vide email dated -----.
- (d) MoE's TOR / Tender document No. ----- for -----
- (e) Contractor's Technical & Financial bid No. ----- dated ----- and all correspondence/clarification made thereafter.

Any inconsistency between the above documents of this Contract shall be resolved by giving precedence in the order in which they are listed above.

### **SECTION 4. PRICING TERMS:**

- 4.1 The Services under this Contract shall be rendered at a total cost of **PKR: -----** **---- for -----**; prices are inclusive of all applicable taxes, duties and Levies etc. except Provincial Sales Tax/ICT Tax on Services which will be paid/reimbursed by -----
- 4.2 All prices charged under this Contract shall remain firm and final during the validity period of this Contract.

### **SECTION 4A. PAYMENT TERMS**

- i) Payment shall be made on monthly basis after verification by -----  
--
- ii) The MoE shall use its best efforts to make payment to all Pakistan based companies as early as possible against duly verified invoices. However, any payment made after thirty (30) days shall not in any way attract any markup, interest, surcharge or charges, etc.
- iii) To avoid delay in payment, it is essential that the invoices shall:
  - (a) be duly signed and stamped by authorized person and type-written in English.
  - (b) Complete Contract number must be clearly mentioned on invoice.
  - (c) Invoice must contain sufficient description of services as mentioned in the contract.
  - (d) Clearly mention the location of the MoE where Services have been provided.
  - (e) Clearly mention period of Services, duly verified by authorized official of MOE end user.
  - (f) Contain any other information deemed essential either by the Contractor or by the MoE.
  - (g) Invoices must be submitted to Manager accounts on the following address for onward verification by manager of end user Department of MOE

**Manager (Accounts)**

**SECTION 5. TAXES AND DUTIES:**

- 5.1 The contract price includes all taxes (except Provincial Sales Tax/ Islamabad Capital Tax on services in Pakistan), duties, fees, levies and any other relevant charges payable/ applicable on the last date of submission of main/supplementary financial bid inside and outside Pakistan, except if MOE imports material in its own name, it will bear duties/ import taxes/ port charges. The Contractor will be responsible for all the direct taxes (present or future) with respect to income/ payments of total contract amount, under the scope of the contract.
- 5.2 Indirect taxes (Provincial Sales Tax/ Islamabad Capital Territory Sales Tax on service) in Pakistan will be paid by MOE at actual where applicable. The contract price will be adjusted for any subsequent changes in the rates of indirect taxes as made applicable thereafter by the relevant authorities in Pakistan.
- 5.3 Any direct taxes, duties, fees, levies and other relevant charges, present or future, assessed or payable inside or outside Pakistan by the Contractor and its sub-contractor and /or by the expatriate personnel deputed by the Contractor and its sub-contractor in connection with its performance under the Contract shall be the sole and exclusive responsibility of the Contractor.
- 5.4 The Contractor shall be responsible and pay all taxes on its income outside and in particular on its income in Pakistan under the Contract and under the laws of Pakistan.
- 5.5 The MoE shall have the right, as provided under the laws of Pakistan to meet its obligations and in particular to deduct from the payment due to the Contractor (against entire contract value including supplies and / or services components etc as applicable) , income tax at source at the rates prevailing from time to time, from the invoiced amounts, or such reduced rates fixed by the taxation authorities in Pakistan for the Contractor on production of current and valid documentary evidence by the Contractor from competent tax authorities in Pakistan and pay such amount to appropriate authorities.
- 5.6 The Contractor shall also be responsible for any income taxes levied on the Contractor's and its sub-contractor's expatriate personnel, under the laws of Pakistan and for all social security issuances and other contributions for the Contractor's expatriate personnel regardless of whether such contributions are levied on employer or employee or both in Pakistan or outside Pakistan.
- 5.7 The Contractor shall keep the MoE duly informed about the steps taken by the Contractor in order to meet its obligations under the Contract and provide the necessary documents to the MoE in this connection.
- 5.8 The Contractor shall indemnify the MoE against any claim which might occur due to non-compliance by Contractor of any legal obligation regarding the taxes, duties, fees, levies, or other charges, including taxes on income in Pakistan and

any other payments to the relevant Government or Governmental agencies or any other applicable authority.

- 5.9 Understanding reflected under the above tax clause would prevail in case of any understanding to the contrary that may be reflected with respect to tax matters, in any other clause of the contract.

#### **SECTION 6. ADJUSTMENT OF CONTRACT PRICE:**

The Contract value (price) shall be subject to adjustment as a result of addition / reduction in scope of work. However, unit price quoted for such work shall be used as base price for computation of final invoice. Contractor should take approval for such changes in writing from the MoE. Rates and quantum of any work, not covered in the scope of work shall be subject to approval of MoE.

#### **SECTION 7. CONTRACTOR'S OBLIGATIONS:**

- 7.1 The Contractor warrants and represents that all Services along with necessary equipment provided under this Contract shall be in accordance with good industry practice and the Contractor shall use every reasonable means for efficient and timely performance and provision of the Services.
- 7.2 The equipment, tools and materials utilized by the Contractor in performance of this Contract shall be handled and utilized with due care and diligence and proper record of consumables etc. shall be maintained and made available to the MoE upon request.
- 7.3 The Contractor shall secure and maintain during the performance of this Contract, all licenses, permits, authorization and certification required under the laws of Pakistan and applicable to Contractor. MoE has the right to inspect such licenses, permits, authorization and certificates and the Contractor shall forthwith comply with such request.
- 7.4 Contractor shall employ and depute for the execution of Services, persons who are careful, skilled and experienced in their profession. The MoE' shall have the right to ask the Contractor to replace any person employed by the Contractor for execution of Services who, in the sole opinion of MoE, misbehaves, is incompetent or negligent in the performance of his duties or fails to conform with any particular provisions with regard to safety which may be set out in the Contract, or any conduct which is prejudicial to safety or health, and such person shall not be employed again for the Services without the permission of the MoE.
- 7.5 Contractor and its personnel shall, when using MoE's premises, adopt and observe all safety, security, fire and health measures and comply with all reasonable directions relating to health and safety rules and emergency evacuation plans as notified or as directed by the MoE.

#### **SECTION 8. DECLARATION:**

- 8.1 The Contractor hereby declares that it has not obtained or induced the procurement of any Contract, right, interest, and privilege or other obligation or benefit from MoE through any corrupt business practices.

- 8.2 Without limiting the generality of the foregoing, the Contractor represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, Contractor, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from the MoE, except that which has been expressly declared pursuant hereto.
- 8.3 The Contractor certifies that it has made and shall make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with the MoE and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.
- 8.4 The Contractor accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any Contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to the MoE under any law, Contract or other instrument, be voidable at the option of the MoE.
- 8.5 Notwithstanding any rights and remedies exercised by MoE in this regard, the Contractor agrees to indemnify MoE for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to MoE in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback paid by the Contractor as aforesaid for the purpose of obtaining or inducing the procurement of any Contract, right, interest, privilege or other obligation or benefit in whatsoever form from MoE.

#### **SECTION 9. PERFORMANCE BOND/SECURITY DEPOSIT:**

The Contractor shall provide to the MoE, within fifteen (15) days after issuance of award of contract/Letter of intent (LOI), a Performance Guarantee in the form of an irrevocable, independent, unconditional, direct obligation of the bank and on first and simple demand guarantee issued by a Pakistani Scheduled Bank or branch of a foreign bank operating in Pakistan, except NIB & Summit Bank amount equivalent to 10% (Ten percent) of the total contract value in Pak Rupees/US\$ strictly in accordance with the format of Performance Bank Guarantee given in tender document to cover and secure the Contractor's faithful performance and execution of this Contract.

The charges and expenses payable in connection with the issuance, extension, renewal and maintenance of the Performance Bond shall be solely borne and paid by the Contractor. The Performance Bond shall be valid and shall be maintained in full force for six (06) months beyond the validity of the Contract. The MoE has sole and absolute right to en cash the Performance Bond without any prior notice to the Contractor in the event of any breach, failure, non-compliance or delay in the performance of the Contract, partial or whole.

In-case the bidder fails to fulfil agreed Tender / Contract Terms and Conditions, the bidder shall be liable to pay liquidated damages as per terms and mechanism agreed in the contract. Where any loss or damage suffered by MOE due to any act of the bidder is more than the liquidity damages, the MoE will be entitled/ recover the losses through encashment of Bank; Guarantee(s) /Bid Securities/earnest Money or forfeiture of security furnished by the bidder in other procurement cases.

**SECTION 10. LIABILITIES:**

- 10.1 Each party shall defend, indemnify and hold the other party harmless from and against any claim INCLUDING THIRD (3rd) PARTIES arising out of (i) loss or damage to its own property, and / or (ii) death of or injury to its own personnel.
- 10.2 Each party shall be liable for, and shall defend, indemnify and hold the other Party and its members/affiliates, co-ventures (if any), contractors or subcontractors, and it's and their respective employees, directors, officers, agents and invitees harmless from and against. all claims, demands, causes of action, judgments, awards, damages, losses, costs, expenses, expenses and liabilities of any kind and character arising out of third party property damage (including death) caused by the indemnifying Party's negligence during the performance of the Contract.
- 10.3 Notwithstanding any other provision of this Contract, MoE shall defend, indemnify and hold harmless the Contractor from and against all liabilities, claims, damages, losses and costs relating to or resulting from (a) through (e) below, including any and all personal injury, death and loss of or damage to the drilling rig, vessel or platform and all other property arising there from (except if caused by Contractor's Gross Negligence or wilful misconduct):
- (a) damage to or loss of or impairment to any well (including the casing) or well bore;
  - (b) killing of or the bringing under control of any well;
  - (c) damage to or loss of any reservoir or productive formation, or subsurface minerals or structure or the loss of oil or gas therefore in;
  - (d) blowout, fire, explosion, catering, or any uncontrolled well condition;
  - (e) pollution, as well as containing, controlling and cleaning up any pollution, contamination or debris.

Gross Negligence or Wilful Misconduct means any act or failure to act (whether sole, joint or concurrent) by a person that was intended to cause or was in reckless disregard of, or wanton indifference to, the harmful consequences to the safety or property of another person which the person acting or failing to act knew, or should have known, would result from such act of omission, provided that Gross Negligence or Wilful Misconduct does not include any act or failure to act insofar as it: (i) constituted mere ordinary omission or oversight; or (ii) was done or omitted in accordance with the express instructions or approval of all parties."

The liability clause will be applicable to both parties i.e., MOE and the contractor and therefore its ambit and scope will be interpreted accordingly.



## **SECTION 11. INDEMNITIES:**

- 11.1 Neither Party shall be liable to the other for any punitive, indirect or consequential damages sustained by the other including without limitation business interruptions, loss of profits, loss of use of assets, loss of data and loss of contracts, and each Party shall hold the other Party harmless in respect thereof.
- 11.2 The Contractor shall indemnify the MoE against all motions, proceedings, claims, liens and demands whatsoever which may be made against the MoE by the third parties for or in respect of or out of any failure by the Contractor in performance of its obligation or wrongful performance under this Contract or any act or omission in connection therewith. Should MoE have to pay any moneys in respect of any such claims or demands, the amounts to be paid and the costs incurred by the MoE connection therewith, shall be charged in to and paid by the Contractor in full.

## **SECTION 12. LIQUIDATED DAMAGES:**

- 12.1 If the contractor fails to deliver any or all of the goods/services within the time periods(s) specified in the Contract, the purchaser shall, without prejudice to other remedies under the Contract, deduct from the Contract Price/Bank Guarantee as liquidated damages, a sum not more than 0.5% of the contract price per week or part thereof for first four weeks, 1.00% per week for next four weeks and 1.5% per week exceeding four weeks up to maximum extent of 10% of the contract value.
- 12.2 In case the purchaser is satisfied that the delayed/defective services/shipment was due to some mistake or circumstances beyond the control of the contractor and the contractor has not intentionally or negligently contributed in the delay, the purchaser may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment per week or part thereof for first two weeks, 1.00 per week for next three weeks and 1.5% per week exceeding five weeks but not exceeding 10% of the contract value of the delayed/defective shipment provided that the Contractor takes immediate remedial measures for the replacement of defective shipment and takes prompt steps to mitigate the delayed. The Purchaser may however, impose Liquidated Damages as per clause 12.1 above if the delayed or defective shipment/ services has affected the project completion schedule or has resulted in Production losses.
- 12.3 Even after imposition of LDs, if the supplier fails to materialize the delivery (material and or services); the Purchaser reserves the right to cancel Purchase Order/Contract/LC and forfeit the Guarantee (if applicable) after intimating the supplier for such cancellation/forfeiture.

## **SECTION 13. PATENT RIGHTS:**

The Contractor shall protect, indemnify and hold the MoE harmless from and against all claims, proceedings, demands, damages, costs, charges and expenses whatsoever for or on account of infringement of any patent rights, design, trade-mark, industrial design

or name or other protected rights in respect of any design, method, machine work, material etc. used for or in connection with the Services.

**SECTION 14. DIRECTIONS:**

The Contractor and its personnel must, when using MoE's premises, adopt and observe all safety, security, fire and health measures and comply with all reasonable directions relating to health and safety rules and emergency evacuation plans as notified or as directed by the MoE or its representative.

**SECTION 15. CONFIDENTIALITY:**

15.1 Any data provided by the MoE or which the Contractor or its employees have access to, or which they acquire directly or indirectly under this Contract or during the performance of this Contract, shall be deemed Confidential Information. Duplication or disclosure of such Confidential Information by Contractor or any one claiming through it without the prior written consent of the MoE is strictly prohibited. All Confidential Information shall be the sole property of the MoE. The Contractor hereby agrees not to disclose said data, information, any interpretations thereof, or data derivative there from or any information relating to MoE's facilities, installations and operations etc to unauthorized parties or person. This Section also applies to any sub-consultant, assignee or consultants used by the Contractor. The obligations under these provisions shall survive the termination or expiry of this Contract.

15.2 Neither the Contractor nor any of its employees shall, except with the prior written consent of the MoE, take ground or aerial photographs of the site, rig, installation or existing facilities of the MoE.

15.3 The Contractor further undertakes that it shall not, except with the prior written consent of the MoE:

- i) make any reference publicly, whether to the press or in books, brochures, internal publications, publicity material, magazines and periodicals or by advertisement through radio, television or films or by any other medium relating to:
  - a) the Contract or its terms and conditions,
  - b) the nature or extent of Services carried out by the Contractor,
  - c) the method, materials, or equipment used and personnel employed, or
  - d) any other MoE information in the possession of the Contractor.
- ii) disclose or convey any of the matters or information referred to in (i) above to any employees of the Contractor not directly concerned with the Contract.

**SECTION 16. DEFAULT:**

16.1 If the Contractor is unable or unwilling to perform its Services in accordance with terms of the Contract, the MoE may obtain conforming Services from other sources, in which case, the Contractor shall be liable to pay the MoE for the increased cost, if any, incurred by the MoE for procuring such Services from other sources.

16.2 The Contractor shall also be in default under the Contract if the Contractor: -



- a) Fails to fully and timely perform any of its contractual obligations under this Contract.
- b) becomes insolvent or seeks relief under the bankruptcy laws.

**SECTION 17. ARBITRATION:**

- 17.1 If any technical question, difference or dispute arises under this Contract, the Parties shall use their best efforts to promptly resolve such dispute, controversy or disagreement. However, if the dispute continues, either Party may give written notice to the other for appointment of an expert to resolve the dispute. The expert shall be preferably a Pakistani national and shall have at least ten years of experience in the relevant technical field.
- 17.2 If any question, difference or dispute arises regarding the rights, obligations or performance by the Parties under this Contract, the Parties shall use their best efforts to promptly resolve such dispute, controversy or disagreement. This includes without limitation the question of whether one or the other is in default and what action if any shall be taken to remedy such default. If the Parties are unable to resolve such question, difference, dispute and controversy, the matter may be referred to arbitration. Either Party may notify the other in writing specifying the nature of the dispute and designate one arbitrator to whom such dispute shall be referred requesting that the other party give notice in writing within fifteen (15) days after receipt of the notice of designation of the second arbitrator. The two arbitrators shall within fifteen (15) days after the receipt of notice of the second arbitrator, appoint an umpire whose decision with respect to the dispute shall govern in the event that the arbitrators shall fail to agree. In the event that second arbitrator is not designated within the time specified, the first arbitrator shall have full and complete power to determine the dispute.
- 17.3 Arbitration shall be precedent in any action of law and that the provisions of the Arbitration Act, 1940 and rules framed thereunder shall apply. The venue of the arbitration shall be in Islamabad, Pakistan.
- 17.4 The expenses of arbitration shall be charged equally to the Parties unless the award of the arbitrator(s) or the umpire, as the case may be, otherwise provide.

**SECTION 18. TERMINATION:**

- 18.1 In the event of default by the Contractor, the MoE shall have the right to terminate the Contract for cause, by giving written notice effective ten (10) days after the date of such notice, unless otherwise specified therein. If the Contractor cures such default within the ten (10) days period, or provides evidence to satisfy the MoE that such default does not exist. In addition to any other remedy available under law or in equity, the MoE shall be entitled to recover all actual damages, costs and losses incurred by the MoE as a result of default by the Contractor.
- 18.2 The MoE shall have the right to terminate the Contract, in whole or in part, without any cause at any time upon thirty (30) days' prior written notice. Upon receipt of such notice of termination, the Contractor shall promptly cease all further Services under the Contract with such exceptions, if any, specified in the notice of termination. The MoE shall pay the Contractor for all Services performed and obligations incurred prior to the date of termination in accordance with the terms of the Contract.

## **SECTION 19. FORCE MAEJEURE:**

- 19.1 "Force Majeure" shall mean an unforeseeable event that impairs the ability of the Party affected by it to wholly or partially perform its obligations under this Contract. In the event of either party hereto being rendered unable, wholly or in part, by Force Majeure circumstances to carry out its obligations under this Contract, then such party by giving notice with satisfactory evidence of such Force Majeure circumstance(s) relied upon, the obligations of the party giving such notice so far as they are affected by such Force Majeure shall be suspended for the period during which the party, is rendered unable as aforesaid, but for no longer period. However, such notice must be given within fourteen (14) days of occurrence of Force Majeure event. The terms Force Majeure as employed herein, shall include but not be limited to acts of God or war, war whether declared or undeclared; acts of terrorism or sabotage, or public enemy; riots and insurrection; civil commotion; revolution; embargo, blockade, invasion or act of foreign enemies; epidemic; landslide, lightning, earthquake, loss of well, reservoir failure, change of law or policy; or any other cause beyond the control of the affected Party which materially and adversely affects the performance by such Party of its obligations under or pursuant to this Contract, other than to make payments due hereunder, acts of enemies, civil insurrection, fires, floods, earthquakes or other physical disasters, order or request of Government, blockade or embargo. It is however, clarified that strikes, lockouts, shortage or non-availability of raw materials, rains disturbances, other labour disputes or non-availability of transport shall not be included in the term "Force Majeure". During the established period of Force Majeure as contained hereinabove, the Contractor shall not be entitled to payment for Services and the MoE shall not impose penalty.
- 19.2 In case the Force Majeure contingencies last continuously for more than one month, both parties will agree on the necessary arrangement for the further implementation of the contract. In case further implementation is unforeseeable and impossible, both parties shall arrange for the termination of the Contract, but without prejudice to their right and obligations prior to such termination it being understood that each party shall fulfill its contractual obligations so far as they have fallen due before the operation of Force Majeure.

## **SECTION 20. LICENSE, PERMITS, AUTHORIZATION AND CERTIFICATION:**

The Contractor / Consultant hereby warrants and undertakes that all kinds of licenses, permits, authorizations and certifications required under the laws of Pakistan and applicable to the Contractor / Consultant are intact, valid and possessed by the Contractor / Consultant and shall be maintained during the performance of this Contract. The MoE has the right to inspect, or demand for such licenses, permits, authorization and certificates and the Contractor/ Consultant shall forthwith comply with such inspection on demand.

## **SECTION 21. PHOTOGRAPHY AND ADVERTISING:**

- 21.1 The Contractor undertakes that neither the Contractor nor any of its employees shall, except with the prior written consent of the MoE shall take, any ground or

aerial photographs of the site, rig, installation or existing facilities at or around the work site.

- 21.2 The Contractor further undertakes that neither the Contractor nor any of the Contractor's personnel shall, except with the prior written consent of the MoE:
- i. make any reference publicly, whether to the press or in books, brochures, internal publications, publicity material, magazines and periodicals or by advertisement through radio, television or films or by any other medium relating to:
    - the Contract or its terms and conditions,
    - the type or extent of the works, services, jobs required to be carried out by the Contractor,
    - the method, materials, or equipment used and personnel employed,
    - any information in the possession of the Contractor as to the operations of the MoE.
  - ii. Disclose or convey any of the matters or information referred to in (a) above to any employees of the Contractor not directly concerned with the Contract.

**SECTION 22. SECURITY:**

- 22.1 If otherwise mentioned in TOR, MoE shall provide appropriate site security including, as from time to time may be necessary, security personnel and security services at the work site or during transportation of personnel and equipment to and from the work site.
- 22.2 If otherwise mentioned in TOR, it is the express intent of the Parties that any delay in the performance of Services or provision of equipment, or part thereof related directly or indirectly to security issues shall under no circumstances be deemed a breach of Contractor's obligation under the Contract.

**SECTION 23. INSURANCE DEMURRAGE:**

- 23.1 The Contractor shall within seven (07) days of the date hereof take out and shall maintain until maturity of the Contract, standard insurance policies, which shall include Contractor's waiver of subrogation as follows:
- (a) Worker's compensation insurance covering all employees, engaged directly or indirectly in the performance of the Services in accordance with the applicable statutory requirements of the state or nation having jurisdiction over such employees.
  - (b) All risk insurance cover for the Services and Equipment including without limitation Equipment and machinery and other materials, if any supplied hereunder by the Contractor.
  - (c) The foregoing insurance shall be maintained with insurers that are satisfactory to the MoE, and the terms of coverage for the foregoing insurance shall also be satisfactory to the MoE and shall be evidenced by certificate to be furnished to MoE. Such certificates shall provide that ten (10) days written notice shall be given to MoE prior to cancellation of any policy. In the event the Contractor fails to effect or keep in force the insurances then the MoE without prejudice to any other rights, shall affect and keep in force such insurances at the Contractor's cost and risk.

(d) It shall be the duty of the Contractor to notify the insurers of any insurance referred to above or of any matter or event, which by the terms of such insurance are required to be so notified.

23.2 The Contractor shall indemnify the MoE against all suits, proceedings, claims, liens and demands whatsoever which may be made against the MoE by the third parties for or in respect of out of any failure by Contractor in performance of its obligation or wrongful performance under this Contract or any act or omission in connection therewith. Should MoE have to pay any moneys in respect of any such claims or demands, the amounts to be paid and the costs incurred by the MoE in connection therewith, shall be charged to and paid by the Contractor in full.

**SECTION 24. EMPLOYMENT OF PAKISTANI NATIONALS**

The Contractor shall employ qualified Pakistani nationals for its Services, if available. If necessary, Contractor may employ expatriate professionals only after making all out efforts to employ Pakistani nationals. The Contractor shall make reasonable efforts to train Pakistani nationals in order to gradually replace its expatriate staff. Unskilled workers if needed for the Services shall be hired from the area where the Services are being performed.

**SECTION 25. ASSIGNMENT:**

The Contractor shall not sub-contractor or assign either whole or part of its obligations under this Contract without the prior written consent of the MoE and such consent if given shall not relieve the Contractor from any liability or obligation under this Contract. The Contractor shall be responsible for the acts, defaults and negligence of any sub-Contractor, its personnel or agents as fully as it they were the acts, defaults or negligence of the Contractor, or its personnel.

**SECTION 26. ENTIRE CONTRACT:**

The documents mentioned in Section-3 of this Contract constitute the entire understanding between the MoE and the Contractor on the subject matter and supersede all prior discussions, communications and agreements regarding the subject matter, whether written or oral.

**SECTION 27. AMENDMENTS:**

No variation in or modification of the terms of this Contract shall be made except by written amendment signed by the duly authorized representative of the MoE and the Contractor.

**SECTION 28. GOVERNING LAW:**

This Contract shall be construed, interpreted and governed by the laws of the Islamic Republic of Pakistan.

**SECTION 29. ERADICATION OF CORRUPTION:**

All vendors, Suppliers, Contractors, Consultants and alike are encouraged to inform the Managing Director and Heads of Departments in case where any MoE's employee asks for any type of favour whether monetary or in kind. You can contact the M.D. and Heads of Departments on the following addresses, phone numbers, faxes or e-mail:

<p><b>MoE</b> ----- Address: -----</p>
--

Tel No: -----
Fax No: -----
E-mail: -----

**SECTION 30. NOTICES:**

Any notice, request demand, statement, call, question, intimation, reference, or other Communication required for execution of this Contract shall be made in writing and shall be directed by courier service or facsimile to the address of the Parties as follows:

<b>To the MoE:</b>	<b>To the Contractor:</b>
Mr. -----	Mr. -----
<b>MoE</b>	<b>M/s</b> -----
Address: -----	-----
Tel: -----	TEL: -----
Email: -----	Email: -----

Notices shall be deemed served when received by the addressee.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Contract as of the date first above written.

**MOE**

**CONTRACTOR**

Signature \_\_\_\_\_

Signature \_\_\_\_\_

—

Name  
\_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

Position \_\_\_\_\_

MoE Seal \_\_\_\_\_

Contractor Seal  
\_\_\_\_\_

Witness  
\_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

—

