



# **TENDER DOCUMENT**

**FOR**

# **OPEN MARKET SALE OF CRUDE OIL FROM GALIYANA QPS, BLOCK CB-ONN-2010/11 IN GUJARAT.**

**TENDER REF. NO. GAIL/NOIDA/ E&P/2026/CRUDE OIL  
SALE/GALIYANA QPS**

## **DOMESTIC COMPETITIVE BIDDING**

Contact Person:

- Mr. Narendra Kumar, GM (E&P)  
Ph.: 0120-2446400 (Extn. 11614), Email: n.kumar@gail.co.in

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### **GAIL India Limited**

Jubilee Tower, B-35 & 36, Sector-1,  
Noida-201301 (UP)-INDIA  
Ph.+91 (0) 120-2446400, 4862400



# **SECTION-I**

## **INVITATION FOR BID (IFB)**



**SECTION-I**  
**“INVITATION FOR BID (IFB)”**

Ref No: GAIL/NOIDA/ E&P/2026/CRUDE SALE/GALIYANA QPS

Date: 12.03.2026

To,

**PROSPECTIVE BIDDERS**

**SUB: OPEN MARKET SALE OF CRUDE OIL FROM GALIYANA QPS, BLOCK CB-ONN-2010/11 IN GUJARAT.**

Dear Sir/Madam,

1.0 GAIL (India) Limited, Noida [having registered office at 16, Bhikaji Cama Plance, New Delhi 110066 CIN No. L40200DL1984GOI018976] invites bids from bidders for open market sale of crude oil from Galiyana QPS in accordance with following details and enclosed Tender Documents.

2.0 The brief details of the tender are as under:

(A)	SCOPE	Open Market Sale of Crude Oil from Galiyana QPS, Block CB-ONN-2010/11 In Gujarat	
(B)	TENDER No. & DATE	TENDER NO.: GAIL/NOIDA/ E&P/2026/CRUDE OIL SALE/GALIYANA QPS DATE: 12.03.2026	
(C)	TYPE OF BIDDING SYSTEM	SINGLE BID SYSTEM	
		TWO BID SYSTEM	✓
(D)	COMPLETION / CONTRACT PERIOD	One (01) year from the date of first supply of Crude Oil	
(E)	BID SECURITY / EARNEST MONEY DEPOSIT (EMD)	APPLICABLE	✓
		NOT APPLICABLE	
		<b>Amount: Rs.7,50,000/- (Seven Lakhs Fifty Thousand Only)</b>	
(E)	TENDER FEES	APPLICABLE	
		NOT APPLICABLE	✓
(F)	AVAILABILITY OF TENDER DOCUMENT ON WEBSITES	From 12.03.2026 (1000Hrs. IST) to 25.03.2026 (1400 Hrs. IST) on following websites:  GAIL's Website: <a href="https://gailonline.com/EXPRESSIONOFINTEREST.html">https://gailonline.com/EXPRESSIONOFINTEREST.html</a>	
(G)	DATE, TIME & VENUE OF PRE-BID MEETING	Date : 17.03.2026 Time : 11:00 AM Venue : Online (link to be shared)	



(H)	BID DUE DATE & TIME	{Two weeks from IFB} Date : 25.03.2026 Time : 1400 Hrs. IST
(I)	DATE & TIME OF UN-PRICED BID OPENING	Date : 25.03.2026 Time : 1500 Hrs. IST Venue : Through Virtual Mode/MSTeams Link: (link to be shared)
(J)	CONTACT DETAILS OF TENDER DEALING OFFICER	Mr. Narendra Kumar, GM (E&P) Ph.: 0120-2446400 (Extn. 11614) Email: n.kumar@gail.co.in
(K)	DEALING GAIL'S OFFICE ADDRESS	GAIL (India) Limited E&P Department, 16 <sup>th</sup> Floor, Jubilee Tower, B-35 &36, Sector-1, Noida-201301 (UP)
(L)	Email for submission for Technical Documents to be submitted	crudesale_tech@gail.co.in
(M)	Email for submission for Financial Documents to be submitted	crudesale_commercial@gail.co.in

3.0 In case the days specified above happens to be a holiday in GAIL, the next working day shall be implied w.r.t. bid opening and pre bid meeting, etc.

4.0 **Bid must be submitted only on email mentioned above.** Further, the following documents in addition to uploading scanned copies in the email shall also be submitted in Original (in physical form) within 7 (seven) days from the Bid Due Date provided the scanned copies of the same have been uploaded in email by the bidder within the Bid Due Date & Time, to the address mentioned in Clause 2 (J & K) of the IFB. **EMD/Bid Security shall be issued on or before the date of bid submission.**

- i) EMD / Bid Security and Declaration for Bid Security (Format-F8)
- ii) Power of Attorney
- iii) Integrity Pact (Format-F11)

5.0 Bidder(s) are advised to submit their bid strictly as per terms and conditions of the Tender Documents and not to stipulate any deviations/exceptions.

6.0 Any bidder, who meets the Bid Evaluation Criteria (BEC) and wishes to quote against this Tender Document, may download the complete Tender Document along with its amendment(s) if any and submit their Bid complete in all respect as per terms & conditions of Tender Document on or before the Bid Due Date & Time.

7.0 Bid(s) received from bidders to whom tender/information regarding this Tender Document has been issued as well as offers received from the bidder(s) by downloading Tender Document from Portal shall be taken into consideration for evaluation & award provided that the Bid is found responsive subject to provisions contained in tender document.

8.0 Any revision, clarification, corrigendum, time extension, etc. to this Tender Document will be hosted on the Portal only. Bidders are requested to visit the Portal regularly to keep themselves updated.

This is not an Order.  
For & on behalf of  
GAIL (India) Limited  
(Authorized Signatory)



# SECTION-II

## BID EVALUATION CRITERIA & EVALUATION METHODOLOGY



## SECTION – II

### “BID EVALUATION CRITERIA & EVALUATION METHODOLOGY”

#### 1) BACKGROUND:

Block CB-ONN-2010/11 consortium has entered into a Joint Operating Agreement pursuant to which GAIL (India) Limited has been appointed as the Lead Operator of the Block and as the sole representative to execute the operation pursuant to the PSC.

GAIL (India) Limited and its coventurers Bharat PetroResources Limited. (BPRL) and Engineers India Ltd. (EIL) is producing crude oil from onshore block CB-ONN-2010/11, located in Galiyana village in Tarapur Taluk of Anand district, Gujarat.

The crude oil production from this block is approximately ~18 BOPD (barrels of oil per day) which may be ramped up at a future date. The Crude oil will be delivered as per Delivery Point defined in this tender. **The Crude Oil API Gravity is ~ 39 degree and is sweet in nature.**

GAIL intends to invite prospective buyers (preferably end consumers) to participate in open tendering process to purchase the crude oil produced from the CB-ONN-2010/11 Block **for a period of one year.**

#### 2) BID EVALUATION CRITERIA

The prospective buyer must be in the business of Processing of Petroleum Products like Naphtha / NGL / Condensate / Light Crude Oil / pit oil / waste oil / Test oil / Solvent or other liquid hydrocarbons etc. and must have a proper licensed Facility / Plant in their name to Process the same. In support of their qualification, the bidder must submit the following documentary evidences along with their Bid:

##### A. TECHNICAL CRITERIA

*{All documents to be submitted must be **certified / attested by both Chartered Engineer and Notarized by Notary Public with legible stamp.**}*

- a) Bidder should have minimum processing capacity equivalent to 50% of the field production rate (BOPD) which is **09.00 BOPD.**
- b) Bidder should have processed average annual oil / pit oil / waste oil / Test oil or any other liquid hydrocarbon of **2970 Barrels (BBL)** during last three financial years with storage and processing facility for crude oil in India with all valid processing license / permission from statutory body for processing of produced crude oil at its processing facilities.
- c) Bidder should have valid explosive license for storage and processing of the produced crude oil.
- d) Bidder should have necessary statutory environmental clearance for prevention and control of pollution in their Plant

##### B. FINANCIAL CRITERIA

*{All audited financial statements / documents (balance sheet and profit & loss account statement) to be submitted must be duly **certified / attested by Notary public with legible stamp.** Bidder shall submit **Format F-9 duly signed and stamped by Chartered Accountant/Certified Public Accountant (CPA)**}*

- a) Bidder to have average annual turnover of more than **INR 3.7 crores** for the last three financial years (FY 2022-23, 2023-24 and 2024-25,).



b) Bidder to have positive net worth as per their last audited financial year (FY 2024-25).

Note: Bids of Joint Venture/ Consortium and sub-Contractors are not acceptable.

### C. DOCUMENTATION

1. Document(s) to be submitted in support of BEC:

BEC Clause no.	Description	Documents required for qualification
<b>A) Documents Required-Technical Criteria</b>		
1)	Single Order & Previous Experience	<p>a) Bidder must submit Copy (ies) of detailed Work/Sales/Purchase Orders including Schedule of Rates (SOR) along with Completion certificates / client certificates in respect of related Work/Sales/Purchase orders issued by the client</p> <p>The Work/Sales/Purchase Order/Completion Certificate must clearly indicate the following:</p> <ul style="list-style-type: none"> <li>• Full Address of Client/Seller and officer issuing certificate.</li> <li>• One Copy of Work Order with detailed Schedule of Rates should also be furnished with reference to relevant sales order/Contract number.</li> <li>• Actual value of executed work,</li> <li>• Stipulated date of start and date of actual completion as per Contract.</li> <li>• A certificate from the client stating that the work has been completed satisfactorily.</li> </ul> <p>b) <b>Storage and processing facility:</b> Document from any Central/State Government/statutory /regulatory bodies issued to the bidder mentioning annual plant storage and processing capacity. Bidder shall provide an undertaking along with the bid that the oil purchased from GAIL Galiyana QPS can be processed at their facility.</p> <p>c) <b>Processing:</b> Any documents submitted by the bidder to the Central/State Government/statutory /regulatory bodies or Audited Financial statement showing the processed quantity as per BEC. Crude oil/oil / pit oil / waste oil / test oil shall have same meaning for purpose of evaluating documents.</p> <p>d) <b>Explosive license:</b> Valid explosive license at the time of bid submission. The license shall be valid for at least one year. In case the license validity is less than one year, the bidder shall issue undertaking along with the bid that they will renew the explosive license before its expiry.</p> <p>e) <b>Environmental clearance:</b> Any document issued to the bidder by Central/State Government/statutory /regulatory bodies for environmental clearance to operate the plant.</p>
<b>B) Documents Required-Financial Criteria</b>		
1)	Annual Turn-over	Bidder (s) shall submit copy of Audited Annual Financial Statement [including Auditor's Report, Balance Sheets, Profit and Loss Accounts statements, Notes & schedules etc.] of three (3) preceding Financial Year(s) along with un-price bid.
2)	Net Worth	Bidder (s) shall submit copy of Audited Annual Financial Statement [including Auditor's Report, Balance Sheets, Profit and Loss Accounts statements, Notes & schedules etc.] for the last audited Financial Year along with un-price bid.



2. Bidder shall furnish the duly filled and signed Checklist for submission of documents for qualification for Bid Evaluation Criteria (BEC) as per format F-10 (B).
3. Apart from above, Bidder must submit all other relevant documents/ information as specified in the Scope of Work/SCC for Technical Evaluation of bid or specified elsewhere in the Tender Document, towards proof of its responsiveness.

**D. AUTHENTICATION OF DOCUMENTS REQUIRED IN SUPPORT OF BEC:**

- i) All documents in support of Technical Criteria of BEC to be furnished by the Bidder shall necessarily be duly certified / attested by both Chartered Engineer and Notarized by Notary Public with legible stamp.
- ii) Bidder shall submit “Details of financial capability of Bidder” in prescribed format (F-9) duly signed and stamped by a Chartered Accountant/ Certified Public Accountant (CPA).

Further, copy of audited Annual Financial statements submitted in bid shall be duly certified/ attested by Notary Public with legible stamp.

**3) EVALUATION OF PRICE BIDS, SELECTION OF BIDDERS AND DISTRIBUTION OF QUANTITY FOR AWARD:**

**A. EVALUATION OF PRICE BIDS:**

GAIL will evaluate and compare the Price bids of the techno-commercially qualified bidders. The bidder shall be allowed to quote premium/discount for two slabs, i.e crude with 5% and less water cut and for crude with 15% water cut. The maximum allowable discount for 15% case is fixed at -36%. Any water cut would be derived from the price quoted as per the formula given below.

$$\text{Percentage Rate of any water cut\%} = \text{(Quoted \% for 5\% Water Cut)} + \frac{\text{(Quoted \% for 15\% water cut - Quoted \% for 5\% water cut)}}{\text{(15 \% - 5\%)}} \times \text{(Any Water Cut \% - 5\%)}$$

Operator will carry out Price Bid evaluation using the given formula. For Price Bid evaluation, three slab average of derived % from the formula, i.e. for 5%, 6-10% and 11-15% would be considered with 90%, 5% and 5% weightage respectively. Average of each slab (%) will be multiplied with the respective weightage factor % to arrive at Weighted Premium/Discount of each slab. The maximum floor discount (i.e. total of Weighted Discount [Floor Discount]) should not be more than -15.40%. Bids comes above Floor Discount on price bid evaluation will not be considered further. The H1 shall be the bidder who offer Highest Premium/Lowest Discount % of the Total Weighted Premium/Discount [Floor Discount]. The evaluation will be done exclusive of VAT/GST/CST. A sample price bid evaluation is given at Section-VII (Page 103).

**B. SELECTION OF BUYERS:**

- a) The Letter of Award will be issued to highest techno-commercially qualified bidder.
- b) In case of tie between bidders, preference would be given for award based on turnover of the previous Financial year (FY-2024-25).



# SECTION-III

## INSTRUCTION TO BIDDERS (ITB)



**INSTRUCTION TO BIDDERS (ITB)**

**INDEX**

**A. GENERAL:**

1. SCOPE OF BID
2. ELIGIBLE BIDDERS
3. BID FORM CONSORTIUM/JOINT VENTURE
4. ONE BID PER BIDDER
5. COST OF BIDDING
6. SITE-VISIT

**B. BIDDING DOCUMENT:**

7. CONTENTS OF BIDDING DOCUMENT
8. CLARIFICATION OF TENDER DOCUMENT
9. AMENDMENT OF BIDDING DOCUMENT

**C. PREPARATION OF BID**

10. LANGUAGE OF BID
11. DOCUMENTS COMPRISING THE BID
12. BID PRICES
13. TAXES & DUTIES AND APPROVALS
14. BID CURRENCIES
15. BID VALIDITY
16. EARNEST MONEY DEPOSIT (EMD)
17. PRE-BID MEETING
18. FORMAT AND SIGNING OF BID
19. ZERO DEVIATION & REJECTION CRITERIA
20. E-PAYMENT

**D. SUBMISSION OF BIDS:**

21. SUBMISSION, SEALING AND MARKING OF BID
22. DEADLINE FOR SUBMISSION OF BIDS
23. LATE BID
24. MODIFICATION AND WITHDRAWAL OF BID

**E. BID OPENING AND EVALUATION:**

25. GAIL'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS
26. BID OPENING
27. CONFIDENTIALITY
28. CONTACTING GAIL
29. EXAMINATION OF THE BIDS AND DETERMINATION OF RESPONSIVENESS
30. CORRECTION OF ERRORS
31. CONVERSION OF SINGLE CURRENCY FOR COMPARISON OF BIDS
32. EVALUATION AND COMPARISON OF BIDS

**F. AWARD OF CONTRACT:**

33. AWARD
34. NOTIFICATION OF AWARD/FAX OF ACCEPTANCE [FOA]
35. SIGNING OF AGREEMENT
36. CONTRACT PERFORMANCE SECURITY/SECURITY DEPOSIT
37. PROCEDURE FOR ACTION IN CASE  
CORRUPT/FRAUDULENT/COLLUSIVE/COERCIVE PRACTICES
38. DISPUTE RESOLUTION MECHANISM
39. DISPUTES BETWEEN CPSE'S/GOVERNMENT DEPARTMENT'S/ORGANIZATIONS
40. PROMOTION OF PAYMENT THROUGH CARDS AND DIGITAL MEANS

**G. ANNEXURES:**

1. ANNEXURE-I: BIDDING DATA SHEET (BDS)



**A. GENERAL**

**1. SCOPE OF BID**

- 1.1. GAIL (India) Limited (GAIL) wishes to receive bids as described in this Invitation For Bid (the “**Tender Document/Bid Document**”) issued by the GAIL. GAIL/Seller/Operator occurring herein under shall be considered synonymous.
- 1.2. SCOPE OF BID: The scope of sale shall be OPEN MARKET SALE OF CRUDE OIL FROM GALIYANA QPS (BLOCK: CB-ONN-2010/11).
- 1.3. The successful Bidder shall complete the process as per Specifications, Scope of Purchase/Job within the period stated in the Special Conditions of Contract.
- 1.4. Throughout the Tender Documents, the terms “Bid”, ‘Tender’, ‘Offer’ & ‘proposal’ and their derivatives [Bidder/tenderer, Bid/Tender/Offer etc.] are synonymous. Further, ‘Day’ means ‘Calendar Day’ and ‘Singular’ also means ‘Plural’.

**2. ELIGIBLE BIDDERS**

- 2.1. The Bidder shall not be under a declaration of ineligibility by Employer for Corrupt/ Fraudulent/ Collusive/ Coercive practices, as defined in "Instructions to Bidders [ITB], Clause No. 37” (Action in case Corrupt/ Fraudulent/ Collusive/ Coercive Practices).
- 2.2. The Bidder is not put on ‘Holiday’ by GAIL or Public Sector Project Management Consultant (like EIL, Mecon only due to “poor performance” or “corrupt and fraudulent practices”) or banned/blacklisted by Government department/ Public Sector on due date of submission of bid. Further, neither bidder nor their allied agency/(ies) (as defined in the Procedure for Action in case of Corrupt/ Fraudulent/ Collusive/ Coercive Practices) are on banning list of GAIL or the Ministry of Petroleum and Natural Gas.  
If the bidding documents were issued inadvertently/ downloaded from website, offers submitted by such bidders shall not be considered for opening/ evaluation/Award and will be returned immediately to such bidders.  
In case there is any change in status of the declaration prior to award of Contract, the same has to be promptly informed to GAIL by the bidder.  
It shall be the sole responsibility of the bidder to inform about their status regarding para 1 of clause 2.2 herein above on due date of submission of bid and during the course of finalization of the tender. Concealment of the facts shall tantamount to misrepresentation of facts and shall lead to action against such Bidders as per clause 37 of ITB.
- 2.3. The Bidder should not have withdrawn/disowned/refused to take delivery with respect to similar tender/contract between the Bidder/Buyer and GAIL. The Bidder should not have any disagreement/dispute with GAIL with respect to similar tender/contract between the Bidder/Buyer and GAIL. The Bidder/Contractor/Buyer who have not had similar contract terminated by GAIL prematurely (awarded through similar tender) in past one (1) year from the date of issue of this tender.
- 2.4. The Bidder should not be under any liquidation court receivership or similar proceedings on due date of submission of bid. In case there is any change in status of the declaration prior to award of Contract, the same has to be promptly informed to GAIL by the bidder. It shall be the sole responsibility of the bidder to inform GAIL there status on above on due date of submission of bid and during the course of finalization of the tender. Concealment of the facts shall tantamount to misrepresentation of facts and shall lead to action against such Bidders as per clause no.37 of ITB.
- 2.5. Bidder shall not be affiliated with a firm or entity:



(i) that has provided consulting services related to the work to the Operator during the preparatory stages of the work or of the project of which the works/services forms a part of or

(ii) that has been hired (proposed to be hired) by the Operator as an Engineer/ Consultant for the Contract.

2.6. Neither the firm/entity appointed as the Project Management Consultant (PMC) for a Contract nor its affiliates/ JV'S/ Subsidiaries shall be allowed to participate in the tendering process unless it is the sole Licensor/Licensor nominated agent/ vendor.

2.7. Pursuant to qualification criteria set forth in the bidding document, the Bidder shall furnish all necessary supporting documentary evidence to establish Bidder's claim of meeting qualification criteria.

2.8. Power of Attorney:

Power of Attorney (POA) to be issued by the bidder in favour of the authorised employee(s), in respect of the particular tender, for purpose of signing the documents including bid, all subsequent communications, agreements, documents etc. pertaining to the tender and act and take any and all decision on behalf of the bidder (including Consortium). Any consequence resulting due to such signing shall be binding on the Bidder (including Consortium).

The Power of Attorney shall be issued as per the constitution of the bidder as below:

a) In case of Proprietorship: by Proprietor

b) In case of Partnership: by all Partners or Managing Partner

c) In case of Limited Liability Partnership: by any bidder's employee authorized in terms of Deed of LLP

d) In case of Public / Limited Company: PoA in favour of authorized employee(s) by Board of Directors through Board Resolution or by the designated officer authorized by Board to do so. Such Board Resolution should be duly countersigned by Company Secretary / MD / CMD / CEO.

The Power of Attorney should be valid till award of Contract / order to successful bidder.

2.9. In case of change of constitution of bidder after submission of bid, the same shall be informed by the bidder to GAIL promptly. Failure to same shall be considered as misrepresentation by the bidder.

### **3. BIDS FROM "CONSORTIUM"/"JOINT VENTURE"- NOT APPLICABLE**

### **4. ONE BID PER BIDDER**

4.1. A Bidder shall submit only 'one [01] Bid' in the same Bidding Process either as single entity or as a member of any consortium (wherever consortium bid is allowed). A Bidder who submits or participates in more than 'one [01] Bid' will cause all the proposals in which the Bidder has participated to be disqualified.

4.2. More than one bid means bid(s) by bidder(s) having same Proprietor / Partners / Limited Liability Partner in any other Bidder (s). Further, more than one bids shall also include two or more bidders having common power of attorney holder.

Failure to comply this clause during tendering process will disqualify all such bidders from process of evaluation of bids.

4.3. Alternative Bids shall not be considered.

4.4. The provisions mentioned at sl. no. 4.1 and 4.2 shall not be applicable wherein bidders are quoting for different Items / Sections / Parts / Groups/ SOR items of the same tender which specifies evaluation on Items / Sections / Parts / Groups/ SOR items basis.

### **5. COST OF BIDDING**

5.1. The Bidder shall bear all costs associated with the preparation and submission of the Bid including but not limited to Documentation Charges, Bank charges, all courier charges, translation charges, authentication charges and any associated charges including taxes &



duties thereon. Further, GAIL will in no case, be responsible or liable for these costs, regardless of the outcome of the bidding process.

## **6. SITE VISIT**

- 6.1. The Bidder is advised to visit and examine the site of works and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the Bid and entering into a Contract for the required job. The costs of visiting the site shall be borne by the Bidder.
- 6.2. The Bidder or any of its personnel or agents shall be granted permission by the Operator to enter upon its premises and land for the purpose of such visits, but only upon the express conditions that the Bidder, its personnel and agents will release and indemnify the Operator and its personnel, agents from and against all liabilities in respect thereof, and will be responsible for death or injury, loss or damage to property, and any other loss, damage, costs, and expenses incurred as a result of inspection.
- 6.3. The Bidder shall not be entitled to hold any claim against GAIL for non-compliance due to lack of any kind of pre-requisite information as it is the sole responsibility of the Bidder to obtain all the necessary information with regard to site, surrounding, working conditions, weather etc. on its own before submission of the bid.
- 6.4. Bidders must review the Scope of Work and the equipment/materials/personnel being offered are as per Tender. GAIL retains the right to modify the terms of the Bid, Model Contract or any of the sections/attachments/formats at any time before the bid submission date.

## **B. BIDDING DOCUMENTS**

### **7. CONTENTS OF BIDDING DOCUMENTS**

- 7.1. The contents of Bidding Documents / Tender Documents are those stated below, and should be read in conjunction with any 'Addendum / Corrigendum and Clarification(s)' issued in accordance with "ITB: Clause-8 & 9":

- Section-I : Invitation for Bid [IFB]\*
- Section-II : BID EVALUATION CRITERIA [BEC] & Evaluation methodology
- Section-III : Instructions to Bidders [ITB], Annexure, Forms & Format\*\*
- Section-V : Special Conditions of Contract [SCC]
- Section-VI : Scope of Work & Specifications [SOW]
- Section-VII : Schedule of Rates

\*Request for Quotation', wherever applicable, shall also form part of the Bidding Document.

\*\* The subject tender is based on standard formats and applicability of some specific clauses may be seen in Annexure-II to Section-III i.e. BDS (Bidding Data Sheet).

- 7.2. The Bidder is expected to examine all instructions, forms, terms & conditions in the Bidding Documents. The Tender document & Invitation for Bid (IFB)" together with all its attachments thereto, shall be considered to be read, understood and accepted by the Bidders. Failure to furnish all information required by the Bidding Documents or submission of a Bid not substantially responsive to the Bidding Documents in every respect will be at Bidder's risk and may result in the rejection of his Bid.

### **8. CLARIFICATION OF TENDER DOCUMENT**

- 8.1. A prospective Bidder requiring any clarification(s) of the Bidding Documents may notify GAIL in writing or email at GAIL's mailing address indicated in the BDS no later than 02 (two) days prior to pre-bid meeting (in cases where pre-bid meeting is scheduled) or 05



(five) days prior to the due date of submission of bid in cases where pre-bid meeting is not scheduled. GAIL reserves the right to ignore the bidders request for clarification if received after the aforesaid period. GAIL may respond in writing to the request for clarification. GAIL's response including an explanation of the query, but without identifying the source of the query will be communicated to prospective bidders by e-mail.

8.2. Any clarification or information required by the Bidder but same not received by the Operator at clause 8.1 (refer BDS for address) above is liable to be considered as "no clarification / information required".

## **9. AMENDMENT OF BIDDING DOCUMENTS**

9.1. At any time prior to the 'Bid Due Date', Employer may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by corrigendum.

9.2. Any corrigendum thus issued shall be integral part of the Tender Document and shall be hosted on the websites as provided at clause no. 2.0 (F) of IFB /communicated to prospective bidders by e-mail. Bidders have to take into account all such corrigendum before submitting their Bid.

9.3. GAIL, if consider necessary, may extend the Bid Due Date in order to allow the Bidders a reasonable time to furnish their most competitive bid taking into account the addenda/ corrigendum issued thereof.

## **C. PREPARATION OF BIDS**

### **10. LANGUAGE OF BID**

10.1. The bid prepared by the Bidder and all correspondence, drawing(s), document(s), certificate(s) etc. relating to the Bid exchanged by Bidder and GAIL shall be written in English language only. In case a document, certificate, printed literature etc. furnished by the Bidder in a language other than English, the same should be accompanied by an English translation duly authenticated by the Indian Chamber of Commerce, in which case, for the purpose of interpretation of the Bid, the English translation shall govern.

### **11. DOCUMENTS COMPRISING THE BID**

11.1. The Bids are invited under the Manual two Bid system. The Bid prepared by the Bidder shall comprise the following components and shall be send to 2 different emails.

**11.1.1. "TECHNO-COMMERCIAL / UN-PRICED BID" shall contain the following: (To be send to email [crudesale\\_tech@gail.co.in](mailto:crudesale_tech@gail.co.in))**

- (a) 'Covering Letter' on Bidder's 'Letterhead' clearly specifying the enclosed contents with index.
- (b) 'Bidder's General Information', as per 'Form F-1'.
- (c) Copies of documents, as specified in tender document (duly attested)
- (d) Copy of Schedule of Rate (SOR) with blanked out quotes mentioning quoted / not quoted (as applicable) written against each item as a confirmation that the items are quoted in requisite format.
- (e) 'Letter of Authority' on the Letter Head, as per 'Form F-3'
- (f) 'Agreed Terms and Conditions', as per 'Form F-4'
- (g) 'ACKNOWLEDGEMENT CUM CONSENT LETTER', as per 'Form F-5'
- (h) Duly attested documents in accordance with the "BID EVALUATION CRITERIA [BEC]" establishing the qualification.
- (i) Copy of Power of Attorney /copy of Board Resolution, in favour of the authorized signatory of the Bid, as per clause no.2.7 of ITB.
- (j) EMD in original, Declaration for Bid Security as per provision of ITB
- (k) All forms and Formats including Annexures.



- (l) 'Integrity Pact' as per 'Form F-11'.
- (m) Tender Document, its Corrigendum/Amendment/Clarification(s) duly signed on each page by the Authorized Signatory holding POA.
- (n) Additional document specified in BDS, SCC, Scope of Supply or mentioned elsewhere in the Tender Document, its Corrigendum/Amendment/Clarification(s).
- (o) Any other information/details required as per Bidding Document

Note: All the pages of the Bid must be signed by the "Authorized Signatory" of the Bidder holding POA.

**11.1.2. Price Bid (To be send to email : [crudesale\\_commercial@gail.co.in](mailto:crudesale_commercial@gail.co.in))**

- i) The quote (Premium/Discount) are to be submitted strictly as per the Schedule of Rate (SOR) of the bidding documents. GAIL shall not be responsible for any failure on the part of the bidder to follow the instructions.
- ii) Bidders are advised NOT to mention Premium/Discount separately, anywhere else in the offer other than designated place (SOR).
- iii) In case, it is observed that any of the bidder(s) has/have offered suo-moto Premium/Discount(s) after opening of unpriced bid but before opening of price bids such Premium/Discount(s) shall not be considered for evaluation. However, in the event of the bidder emerging as the Highest evaluated bidder without considering the discount/rebate(s), then such Premium/Discount(s) offered by the bidder shall be considered for Award of Work and the same will be conclusive and binding on the bidder.
- iv) The Price Bid (SOR) duly filled should be signed by the Authorised Signatory of Bidder and shall put Bidder's Company Seal. **The bidder shall scan the Price Bid document (PDF Format) in legible resolution and shall email the document to the address at 11.1.2**

**12. BID PRICES**

- 12.1. Unless stated otherwise in the Bidding Documents, the Contract shall be for the whole works as described in Bidding Documents, based on the rates and prices submitted by the Bidder and accepted by GAIL. The Premium/Discount quoted by the Bidders will be exclusive of all taxes & duties.
- 12.2. Premium/Discount must be filled in format for "Schedule of Rates [SOR]" enclosed as part of Tender document. If quoted in separate typed sheets and any variation in item description, unit or quantity is noticed; the Bid is liable to be rejected.
- 12.3. Bidder shall quote for all the items of "SOR" after careful analysis of cost involved for the performance of the completed item considering all parts of the Bidding Document. In case any activity though specifically not covered in description of item under "SOR" but is required to complete the works as per Specifications, Scope of Work / Service, Standards, Special Conditions of Contract ("SCC") or any other part of Bidding Document, the Premium/Discount quoted shall deemed to be inclusive of cost incurred for such activity.

**13. TAXES & DUTIES AND APPROVALS**

- 13.1. The Bidders shall be responsible to bear all taxes, duties, cess or government levy of any nature which are applicable beyond the Delivery Point. All taxes, fees, duties, cess, licenses, personal income tax, corporate tax, VAT, GST and similar rates and fees, freight, insurance and similar expenses as applicable to the Bidder shall be separately borne by the Bidder and paid by the Bidder without any recourse to the Company.
- 13.2. The Bidder shall be responsible to obtain at its own cost, all required clearances/ permits/ consents, wherever applicable and required for the performance of the Bidder's obligations under the Contract, from the Government of India / concerned State Governments, authorities or agencies or political sub-divisions thereof.



13.3. The e-Way Bill will be issued by the Company based on the tanker and quantity details provided by the Contractor for the day.

**14. BID CURRENCIES**

14.1. Bidders must submit **bid, EMD, BG in Indian Rupees only.**

**15. BID VALIDITY**

15.1. Bids shall be kept valid for period specified in BDS from the final Due date of submission of bid'. A Bid valid for a shorter period may be rejected by GAIL as 'non-responsive'.

15.2. In exceptional circumstances, prior to expiry of the original 'Bid Validity Period', GAIL may request the Bidders to extend the 'Period of Bid Validity' for a specified additional period. The request and the responses thereto shall be made in writing or by email. A Bidder may refuse the request without forfeiture of his EMD/Bid Security

15.3. A Bidder agreeing to the request will not be required or permitted to modify his Bid, but will be required to extend the validity of its EMD for the period of the extension and in accordance with "ITB: Clause-16" in all respects.

**16. EARNEST MONEY DEPOSIT**

16.1. Bid must be accompanied with earnest money deposit (i.e Earnest Money Deposit (EMD) also known as Bid Security) in the form of 'Demand Draft' / 'Banker's Cheque' [in favour of **GAIL CB ONN 2010 11 E AND P BLOCK** payable at place mentioned in **Bid Data Sheet BDS**] or 'Bank Guarantee' strictly as per the format given in form F-2 of the Tender Document. Bidder shall ensure that EMD submitted in the form of 'Bank Guarantee' should have a validity of at least 'two [02] months' beyond the validity of the Bid. EMD submitted in the form of 'Demand Draft' or 'Banker's Cheque' should be valid for three months. Bid not accompanied with EMD, or EMD not in requisite format shall be liable for rejection. The EMD shall be submitted in Indian Rupees only and for the amount as mentioned in **BDS**.

16.2. GAIL shall not be liable to pay any documentation charges, Bank charges, commission, interest etc. on the amount of EMD. In case EMD is in the form of a 'Bank Guarantee', the same shall be from any Indian scheduled Bank or a branch of an International Bank situated in India and registered with 'Reserve Bank of India' as Scheduled Foreign Bank. However, in case of 'Bank Guarantee' from Banks other than the Nationalized Indian Banks, the Bank must be commercial Bank having net worth in excess of Rs. 100 Crores [Rupees One Hundred Crores] and a declaration to this effect should be made by such commercial Bank either in the 'Bank Guarantee' itself or separately on its letterhead.

16.3. Any Bid not secured in accordance with "ITB: Clause-16.1 & Clause-16.2" may be rejected by GAIL as non-responsive.

16.4. Unsuccessful Bidder's EMD will be discharged/ returned as promptly as possible, but not later than 'thirty [30] days' after finalization of tendering process.

16.5. The successful Bidder's EMD will be discharged upon the Bidder's acknowledging the 'Award' and signing the 'Agreement' and furnishing the 'Contract Performance Security (CPS)/ Security Deposit/Bank Guarantee (BG)' pursuant to clause no. 36 of ITB.

16.6. Notwithstanding anything contained herein, the EMD may also be forfeited in any of the following cases:

(a) If a Bidder withdraws his Bid during the 'Bid Validity Period'

(b) If a Bidder has indulged in corrupt/fraudulent /collusive/coercive practice

(c) If the Bidder modifies Bid during the period of bid validity (after Due Date and Time for Bid Submission).

(d) Violates any other condition, mentioned elsewhere in the Tender Document, which may lead to forfeiture of EMD.

(e) In the case of a successful Bidder, if the Bidder fails to:



- (i) acknowledge receipt of the "Notification of Award" / Fax of Acceptance [FOA]",
- (ii) furnish "Contract Performance Security / Security Deposit", in accordance with "ITB: Clause-38".
- (iii) accept 'arithmetical corrections' as per provision of the clause 30 of ITB.

16.7. In case EMD is in the form of 'Bank Guarantee', the same must indicate the Tender Document No. and the name of Tender Document for which the Bidder is quoting. This is essential to have proper correlation at a later date.

16.8. In addition to existing specified form (i.e. Demand Draft (DD)/ Banker's Cheque/ Bank Guarantee) mentioned in tender documents for submission of EMD/Bid Bond, the bidder can also submit the EMD through online banking transaction i.e. IMPS/NEFT/RTGS etc. While remitting, the bidder must indicate EMD and tender no. under remarks. Bidders shall be required to submit/ upload the successful transaction details along-with their bid/e-bid in addition to forwarding the details to dealing officer through email/letter with tender reference number immediately after remittance of EMD.

In absence of submitting/ uploading the remittance details, the bids are likely to be considered as bid not accompanied with EMD. Further, in case of the above online transaction, submission of EMD in original is not applicable.

16.9. In case of forfeiture of EMD/ Bid Security, the forfeited amount will be considered inclusive of tax and tax invoice will be issued by GAIL. The forfeiture amount will be subject to final decision of GAIL based on other terms and conditions of order/ Contract.

16.10. EMD/Bid Bond will not be accepted in case the same has reference of 'remitter'/'financer' other than bidder on the aforementioned financial instrument of EMD/ Bid Bond submitted by the bidder and bid of such bidder will be summarily rejected.

## 17. PRE-BID MEETING

17.1. The Bidder(s) or his designated representative are invited to attend a "Pre-Bid Meeting" through virtual mode as specified in IFB.

17.2. Purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

17.3. Any modification of the Contents of Bidding Documents listed in "ITB: Clause-7.1", that may become necessary as a result of the Pre-Bid Meeting shall be made by the GAIL exclusively through the issue of a Corrigendum pursuant to "ITB: Clause-9", and not through the minutes of the Pre-Bid Meeting.

17.4. Non-attendance of the Pre-Bid Meeting will not be a cause for disqualification of Bidder.

## 18. FORMAT AND SIGNING OF BID

18.1. The original and all copies of the Bid shall be typed or written in indelible ink [in the case of copies, photocopies are also acceptable] and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder (as per POA). The name and position held by each person signing, must be typed or printed below the signature. All pages of the Bid except for unamendable printed literature where entry(s) or amendment(s) have been made shall be initialed by the person or persons signing the Bid.

18.2. The Bid shall contain no alterations, omissions, or additions, unless such corrections are initialed by the person or persons signing the Bid.

## 19. ZERO DEVIATION AND REJECTION CRITERIA

19.1. **ZERO DEVIATION:** Deviation to terms and conditions of "Bidding Documents" may lead to rejection of bid. GAIL will accept bids based on terms & conditions of "Bidding Documents" only. Bidder may note GAIL will determine the substantial responsiveness of each bid to the Bidding Documents pursuant to provision contained in Clause 28 of ITB.



For purpose of this, a substantially responsive bid is one which conforms to all terms and conditions of the Bidding Documents without deviations or reservations. GAIL's determination of a bid's responsiveness is based on the content of the bid itself without recourse to extrinsic evidence. GAIL reserves the right to raise technical and/or commercial query(s), if required, may be raised on the bidder(s). The response(s) to the same shall be in writing, and no change in the price(s) or substance of the bids shall be sought, offered or permitted. The substance of the bid includes but not limited to prices, completion, scope, technical specifications, etc. Bidders are requested to not to take any deviation/exception to the terms and conditions laid down in this "Tender Documents", and submit all requisite documents as mentioned in this "Tender Documents", failing which their offer will be liable for rejection. If a bidder does not reply to the queries in the permitted time frame then its bid shall be evaluated based on the documents available in the bid.

19.2. **REJECTION CRITERIA:** Notwithstanding the above, deviation to the following clauses of Tender document shall lead to summarily rejection of Bid:

- (a) Firm quote (Premium/Discount) as per SOR
- (b) Earnest Money Deposit / Bid Security / Bid Security declaration, as applicable
- (c) Specifications & Scope of Work
- (d) Schedule of Rates / Price Schedule / Price Basis
- (e) Duration / Period of Contract/ Completion schedule
- (f) Period of Validity of Bid
- (g) Contract Performance Security/Bank Guarantee
- (h) Arbitration / Resolution of Dispute/Jurisdiction of Court
- (i) Force Majeure & Applicable Laws
- (j) Integrity Pact
- (k) Any other condition specifically mentioned in the tender document elsewhere that non-compliance of the clause lead to rejection of bid

Note: Further, it is once again reminded not to mention any condition in the Bid which is contradictory to the terms and conditions of Tender document.

## 20. E-PAYMENT

20.1. GAIL (India) Limited facilitate the payments electronically through 'e-banking' only.

## D. SUBMISSION OF BIDS

### 21. SUBMISSION, SEALING AND MARKING OF BIDS

- 21.1. The bid must be submitted in the email as per IFB and Clause 11 of ITB.
- 21.2. All the required bid documents as per Clause 4.0 of IFB shall be addressed to the GAIL at address specified in IFB/BDS.
- 21.3. Bids submitted under the name of AGENT/ REPRESENTATIVE /RETAINER/ ASSOCIATE etc. on behalf of a bidder/affiliate shall not be accepted.

### 22. DEADLINE FOR SUBMISSION OF BIDS

- 22.1. The bid along with EMD (scanned document/electronic EMD) must be submitted through emails specified in IFB Clause No 2.0 (L) and (M) within the due date & time as specified in IFB Clause no. 2.0 (H). Physical documents required shall be submitted as per Clause 4.0 of IFB.
- 22.2. GAIL may, in exceptional circumstances and at its discretion, extend the deadline for submission of Bids (8.0 and/or 9 of ITB refers). In that case all rights and obligations of GAIL and the Bidders, previously subject to the original deadline will thereafter be subject to the deadline as extended. Notice for extension of due date of submission of bid will be communicated to the bidders.



### **23. LATE BIDS**

- 23.1. Any bids received after the notified date and time of closing of tenders will be treated as late bids. Bid submission date and time by the bidder will be considered as the date and time of bidders last email against the tender received at GAIL's network gateway on or before bid closing time.
- 23.2. The bids received by GAIL after the due date for submission of bids shall not be considered. The EMD of such bidders shall be returned.
- 23.3. EMD /physical documents received to address other than one specifically stipulated in the Tender Document will not be considered for evaluation/opening/award if not received to the specified destination within stipulated date & time.
- ~~23.4.~~ Unsolicited Bids or Bids received to address other than one specifically stipulated in the tender document will not be considered for evaluation/opening/award.

### **24. MODIFICATION AND WITHDRAWAL OF BIDS**

- 24.1. The bidder may withdraw or modify its bid after bid submission but before the due date for submission as per tender document provided that the written notice of the modification/ substitution/ withdrawal in received by GAIL prior to the deadline for submission of bid.
- 24.2. The modification shall also be prepared, sealed, marked and send in accordance with the provisions of the clause 11, 21 & 22 of ITB mentioning "**MODIFICATION**" as email subject. In case of withdrawal of bid, email with subject "**WITHDRAWAL**" specifying "Tender Document number :...."/ communication regarding withdrawal of bid with "Tender Document number :...."/ must reach the concerned dealing official of GAIL within Due date & Time of submission of Bid. No bid shall be modified/ withdrawn after the Due Date & Time for Bid submission.
- 24.3. Any withdrawal/ modification/substitution of Bid in the interval between the Due Date & Time for Bid submission and the expiration of the period of bid validity specified by the Bidder in their Bid shall result in the Bidder's forfeiture of EMD pursuant to clause 16 of ITB / invocation of action as per Bid Security declaration and rejection of Bid.
- 24.4. The latest Bid submitted by the Bidder before Bid Due Date & Time shall be considered for evaluation and all other Bid(s) shall be considered to be unconditionally withdrawn.

## **E. BID OPENING AND EVALUATION**

### **25. GAIL'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS**

- 25.1. GAIL reserves the right to accept or reject any Bid, and to annul the Bidding process and reject all Bids, at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligations to inform the affected Bidder or Bidders of the ground for GAIL's action. However, Bidder if so desire may seek the reason (in writing) for rejection of their Bid to which GAIL shall respond quickly.

### **26. BID OPENING**

#### **26.1. Unpriced Bid Opening :**

GAIL will open bids, in the presence of bidders' designated representatives who choose to attend, at date, time and location stipulated in the BDS. The bidders' representatives, who are present shall sign a bid opening register evidencing their attendance.

#### **26.2. Priced Bid Opening:**

- 26.2.1 GAIL will open the price bids of those bidders who meet the qualification requirement and whose bids is determined to be technically and commercially responsive. Bidders selected for opening of their price bids shall be informed about the date of price bid opening.



Bidders may depute their authorized representative to attend the bid opening. The bidders' representatives, who are present shall sign a register evidencing their attendance and may be required to be present even on a short notice.

26.2.2 The price bids of those Bidders who were not found to be techno-commercially responsive shall not be opened.

## **27. CONFIDENTIALITY**

27.1. Information relating to the examination, clarification, evaluation and comparison of Bids, and recommendations for the award of a Contract, shall not be disclosed to Bidder(s) or any other persons not officially concerned with such process.

## **28. CONTACTING GAIL**

28.1. From the time of Bid opening to the time of award of Contract, if any Bidder wishes to contact the GAIL/Operator on any matter related to the Bid, it should do so in writing.

28.2. Any effort by the Bidder to influence GAIL/Operator in the GAIL's/Operator's 'Bid Evaluation', 'Bid Comparison', or 'Contract Award' decisions may result in the rejection of the Bidder's Bid and action shall be initiated as per procedure for action in case Corrupt / Fraudulent / Collusive / Coercive practices in this regard apart from forfeiture of EMD/ Bid Security, if any.

## **29. EXAMINATION OF BIDS AND DETERMINATION OF RESPONSIVENESS**

29.1. GAIL/Operator's determination of a bid's responsiveness is based on the content of the bid only. Prior to the detailed evaluation of Bids, GAIL/Operator will determine whether each Bid:-

- (a) Meets the "Bid Evaluation Criteria" of the Bidding Documents;
- (b) Has been properly signed;
- (c) Is accompanied by the required 'Earnest Money / Bid Security / Bid Security Declaration
- (d) Is substantially responsive to the requirements of the Bidding Documents; and
- (e) Provides any clarification and/or substantiation that the Employer may require to determine responsiveness pursuant to "ITB: Clause-28.2"

29.2. A substantially responsive Bid is one which conforms to all the terms, conditions and specifications of the Bidding Documents without material deviations or reservations or omissions for this purpose employer defines the foregoing terms below:-

- (a) "Deviation" is departure from the requirement specified in the tender documents.
- (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirement in the tender documents.
- (c) "Omission" is the failure to submit part or all of the information or documentation required in the tender document for evaluation of bid.

29.3. A material deviation, reservation or omission is one that,

- (a) If accepted would,
  - i) Affect in any substantial way the scope, quality, or performance of the job as specified in tender documents.
  - ii) Limit, in any substantial way, inconsistent with the Tender Document, the Employer's rights or the tenderer's obligations under the proposed Contract.
  - iii) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

29.4. GAIL/Operator shall examine all aspects of the bid to confirm that all requirements have been met without any material deviation, reservation or omission.

29.5. If a Bid is not substantially responsive, it may be rejected by GAIL/Operator and may not subsequently be made responsive by correction or withdrawal of the of material deviation, reservation or omission.



### 30. CORRECTION OF ERRORS

- 30.1. Bids determined to be substantially responsive will be checked by the GAIL for any arithmetic errors. Errors in Price Schedule/Schedule of Rates (SOR) will be corrected by GAIL/Operator as follows:
- (i) When there is a difference between the rates in figures and words, the rate which corresponds to the amount worked out by the Bidder (i.e. by multiplying the quantity and rate) shall be taken as correct.
  - (ii) When the rate quoted by the Bidder in figures and words tallies but the amount is incorrect, the rate quoted by the bidder shall be taken as correct and not the amount. The amount shall be re-calculated/ corrected accordingly.
  - (iii) When it is not possible to ascertain the correct rate, in the manner prescribed above, the rate as quoted in words shall be adopted and the amount worked out, for comparison purposes.
  - (iv) In case any bidder does not quote for any item(s) of "Schedule of Rates" and the estimated price impact is more than 10% of the quoted price, then the bid will be rejected. If such price impact of unquoted items is 10% or less of his quoted price, then the unquoted item(s) shall be loaded highest of the price quoted by the other bidders. If such bidder happens to be lowest evaluated bidder, price of unquoted items shall be considered as included in the quoted bid price.
- 30.2. The amount stated in the bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors. If the bidder does not accept the corrected amount of bid, its bid will be rejected, and the bid security shall be forfeited / actions shall be invoked as per Declaration for Bid Security

### 31. CONVERSION TO SINGLE CURRENCY FOR COMPARISON OF BIDS

- 31.1. Not Applicable. All bids submitted must be in the currency specified at clause 14 of ITB.

### 32. EVALUATION AND COMPARISON OF BIDS

- 32.1. Bid shall be evaluated as per evaluation criteria mentioned in Section-II of bidding documents on highest bid. Refer BDS for tie breaker criteria.

## F. AWARD OF CONTRACT

### 33. AWARD

Subject to "ITB: Clause-29", GAIL will award the Contract to the successful Bidder whose Bid has been determined to be substantially responsive and has been determined as the lowest provided that bidder, is determined to be qualified to satisfactorily perform the Contract.

***"GAIL intent to place the Contract directly on the address from where Services are to be rendered. In case, bidder wants Contract at some other address or Services are to be rendered from multiple locations, bidder is required to provide in their bid, the address on which Contract is to be placed".***

GAIL will place the Contract directly on the successful bidder from whom the bid has been received & evaluated and will not place order on other entities such as subsidiary, business associate or partner, dealer/distributor etc. of the Bidder.

### 34. NOTIFICATION OF AWARD / FAX OF ACCEPTANCE

- 34.1. Prior to the expiry of 'Period of Bid Validity', Notification of Award for acceptance of the Bid will be intimated to the successful Bidder by GAIL either by E - mail /Letter or like means defined as the "Fax of Acceptance (FOA)". The Contract shall enter into force as per FOA and the same shall be binding on GAIL and successful Bidder (i.e. Service Provider). The Notification of Award/FOA will constitute the formation of a Contract. The detailed Letter of Acceptance shall be issued thereafter incorporating terms & conditions



of Tender Document, Corrigendum, Clarification(s), Bid and agreed variation(s)/acceptable deviation(s), if any. GAIL may choose to issue Notification of Award in form of detailed Letter of Acceptance without issuing FOA and in such case the Contract shall enter into force as per detailed Letter of Acceptance only.

- 34.2. Contract period shall commence from the date of "Notification of Award" or as mentioned in the Notification of Award. The "Notification of Award" will constitute the formation of a Contract, until the Contract has been effected pursuant to signing of Contract Agreement as per "ITB: Clause-35".
- 34.3. Upon the successful Bidder's / Contractor's furnishing of 'Contract Performance Security / Security Deposit', pursuant to "ITB: Clause-36", GAIL will promptly discharge his 'Earnest Money Deposit / Bid Security', pursuant to "ITB: Clause-16".
- 34.4. GAIL will award the Contract to the successful Bidder, who, within 'fifteen [15] days' of receipt of the same, shall sign and return the acknowledged copy to GAIL.

### **35. SIGNING OF AGREEMENT**

- 35.1. The successful Bidder/Service Provider shall be required to execute an 'Agreement' in the proforma given in this Bidding Document on a 'non-judicial stamp paper' of appropriate value [cost of the 'stamp-paper' shall be borne by the successful Bidder/Service Provider] and of ' State of India' specified in Bidding Data Sheet (BDS) only, within 'fifteen [15] days' of receipt of the "Fax of Acceptance [FOA]" of the Tender by the successful Bidder/Service Provider failure on the part of the successful Bidder/Contractor to sign the 'Agreement' within the above stipulated period, shall constitute sufficient grounds for forfeiture of EMD//Action as per Bid Security declaration
- 35.2. Bidders can request Bilingual (Hindi & English) Contract Agreement. The format for signing Contract Agreement in English is attached with this Bidding Document.

### **36. CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT [CPS/SD]**

- 36.1. Within 30 days of the receipt of the notification of award/ Fax of Acceptance from GAIL, the successful bidder shall furnish the Contract Performance Security (CPS) as per SCC and F-2. The CPS shall be in the form of either Banker's Cheque or Demand Draft or Bank Guarantee (BG) or Letter of Credit and shall be in the currency of the Contract.
- 36.2. The Contract performance security shall be for an amount equal to specified in Bidding Data Sheet (BDS) towards faithful performance of the Contractual obligations and performance of equipment. For the purpose of CPS, Contract/order value shall be exclusive of GST/VAT (CGST & SGST/UTGST or IGST) or any other taxes and duties. The BG towards CPS shall be from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve bank of India as scheduled foreign bank. However, in case of bank guarantees from banks other than the Nationalized Indian banks, the bank must be a commercial bank having net worth in excess of Rs 100 crores and a declaration to this effect should be made by such commercial bank either in the Bank Guarantee itself or separately on its letterhead.
- 36.3. Failure of the successful bidder to comply with the requirements of this article shall constitute sufficient grounds for consideration of the annulment of the award and forfeiture of the EMD / action as per declaration for Bid Security
- 36.4. The CPS/BG has to of appropriate value including extra works/services also as per SCC. As long as the CPS/BG submitted at the time of award take cares the extra works/ services executed and total executed value are within the awarded Contract price, there is no need for additional CPS/BG. As soon as the total executed value is likely to burst the ceiling of awarded Contract price, the Service Provider should furnish additional CPS/BG.
- 36.5. Further, Ministry of Finance (MOF) Department of financial service has issued direction for submission of Bank Guarantee through online vide letter ref number F.No.7/112/2011-BOA dated 17th July 2012. The successful bidder can submit CPS/BG online through



issuing bank to GAIL directly as per the above direction including its revisions, if any. In such cases confirmation will not be sought from issuing banker by GAIL.

- 36.6. In addition to existing specified form (i.e. Demand Draft (DD)/ Banker's Cheque/ Bank Guarantee/Letter of Credit) mentioned in tender documents for submission of Security Deposit/ Contract Performance Security, the successful bidder can also submit the Security Deposit/ Contract Performance Security through online banking transaction i.e. IMPS/NEFT/RTGS/SWIFT etc. For this purpose, the details of GAIL's Bank Account is mentioned in BDS. Further, in case a successful Bidder is willing to furnish CPS/BG through SWIFT, the details may be obtained from Purchase Officer immediately after receipt of FOA.

While remitting such online transaction, the bidder must indicate "**Security Deposit/ Contract Performance Security/Bank Guarantee against FOA/DLOA no. \_\_\_\_\_ (service provider to specify the FOA/LOA No.)**" under remarks column of such transaction of respective bank portal. The Contractor/vendor shall be required to submit the successful transaction details to the dealing officer immediately through email/letter and necessarily within 30 days from the date of Fax of Acceptance."

- 36.7. In case of forfeiture of Contract Performance Security/ Security Deposit, the forfeited amount will be considered inclusive of tax and tax invoice will be issued by GAIL.
- 36.8. CPBG/Security Deposit will not be accepted in case the same has reference of 'remitter'/'financer' other than bidder on the aforementioned financial instrument of CPBG/ Security Deposit submitted by the Service Provider.

### **37. PROCEDURE FOR ACTION IN CASE CORRUPT/ FRAUDULENT/COLLUSIVE/ COERCIVE PRACTICES**

#### **37.1. Procedure for action in case Corrupt/ Fraudulent/Collusive/Coercive Practices**

##### **A. Definitions:**

- A.1 "Corrupt Practice" means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions in selection process or in Contract execution.

"Corrupt Practice" also includes any omission for misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.

- A.2 "Fraudulent Practice" means and include any act or omission committed by a agency or with his connivance or by his agent by misrepresenting/ submitting false documents and/ or false information or concealment of facts or to deceive in order to influence a selection process or during execution of Contract/ order.

- A.3 "Collusive Practice amongst bidders (prior to or after bid submission)" means a scheme or arrangement designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.

- A.4 "Coercive practice" means impairing or harming or threatening to impair or harm directly or indirectly, any agency or its property to influence the improperly actions of an agency, obstruction of any investigation or auditing of a procurement process.

- A.5 "Bidder/Service Provider" is herein after referred as "Agency"

- A.6 "Appellate Authority" shall mean Employer's committee of Directors consisting of Director (Finance) and Director (BD) for works centers under Director (Projects). For all



other cases committee of Directors shall consist of Director (Finance) & Director (Projects).

- A.7 “Competent Authority” shall mean the authority, who is competent to take final decision for Suspension of business dealing with an Agency/ies and Banning of business dealings with Agency/ies and shall be the “Director” concerned.
- A.8 “Allied Agency” shall mean all the concerns within the sphere of effective influence of banned/ suspended agencies. In determining this, the following factors may be taken into consideration:
- (a) Whether the management is common;
  - (b) Majority interest in the management is held by the partners or directors of banned/ suspended firm.
  - (c) substantial or majority shares are owned by banned/ suspended agency and by virtue of this it has a controlling voice.
- A.9 “Investigating Agency” shall mean any department or unit of GAIL investigating into the conduct of Agency/ party and shall include the Vigilance Department of the GAIL, Central Bureau of Investigation, State Police or any other agency set up by the Central or state government having power to investigate.

**B. Actions against bidder(s) indulging in corrupt /fraudulent/ collusive/ coercive practice**

**B.1 Irregularities noticed during the evaluation of the bids:**

If it is observed during bidding process/ bids evaluation stage that a bidder has indulged in corrupt/fraudulent /collusive/coercive practice, the bid of such Bidder (s) shall be rejected and its Earnest Money Deposit (EMD) shall be forfeited.

Further, such agency shall be banned for future business with GAIL for a period specified in para B 2.2 below from the date of issue of banning order.

**B.2 Irregularities noticed after award of Contract:**

**B.2.1**

**(i) During execution of Contract:**

If an agency, is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, action shall be initiated for putting the agency on banning list.

After conclusion of process and issuance of Speaking order for putting party on banning list, the order (s)/ Contract (s) where it is concluded that such irregularities have been committed shall be terminated and Contract cum Performance Bank Guarantee (CPBG) submitted by agency against such order (s)/ Contract (s) shall also be forfeited. Further such order/ Contract will be closed following the due procedure in this regard.

The amount that may have become due to the Contractor on account of work already executed by him shall be payable to the Contractor and this amount shall be subject to adjustment against any amounts due from the Contractor under the terms of the Contract. No risk and cost provision will be enforced in such cases.

**Suspension of order/ Contract:**

Further, only in the following situations, the concerned order (s)/ Contract(s) (where Corrupt/Fraudulent/ Collusive/ Coercive Practices are observed) and payment shall be suspended after issuance of Suspension cum Show Cause Notice:

- (i) Head of Corporate Vigilance Department/CVO based on the investigation by them, recommend for specific immediate action against the agency.
- (ii) Head of Corporate Vigilance Department/CVO based on the input from investigating agency, forward for specific immediate action against the agency.



Suspension cum Show Cause Notice being issued in above cases after approval of the competent authority (as per provisions mentioned under Clause no. D) shall also include the provision for suspension of Order (s)/ Contract (s) and payment. Accordingly, after issuance of Suspension cum Show Cause Notice, the formal communication for suspension of Order (s)/ Contract (s) and payment with immediate effect will be issued by the concerned person of GAIL.

During suspension, Contractor/ Service Providers will be allowed to visit the plant/ site for upkeep of their items/ equipment, GAIL's issued materials (in case custody of same is not taken over), demobilizing the site on confirmation of EIC, etc.

**(ii) After execution of Contract and during validity of BG/CPBG/CPS period:**

If an Agency is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, after execution of Contract and during validity of BG/CPBG/CPS period, the Agency shall be banned for future business with GAIL for a period specified in para B 2.2 below from the date of issue of banning order.

Further, the Contract cum Performance Bank Guarantee (CPBG)/CPS submitted by Agency against such order (s)/ Contract (s) shall be forfeited.

**(iii) After execution of Contract and after validity of BG/CPBG/CPS period:**

If an Agency is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, and during validity of BG/CPBG/CPS period, the Agency shall be banned for future business with GAIL for a period specified in para B 2.2 below from the date of issue of banning order.

**B.2.2 Period of Banning**

The period of banning of agencies indulged in Corrupt/Fraudulent/Collusive/Coercive Practices shall be as under and to be reckoned from the date of banning order:

Sl.No	Description	Period of banning from the date of issuance of Banning Order
1.	Misrepresentation/False information other than pertaining to BEC of tender but having impact on the selection process.  For example, if an agency confirms not being in holiday in GAIL/PSU's PMC or banned by PSUs/ Govt. Dept., liquidation, bankruptcy & etc. and subsequently it is found otherwise, such acts shall be considered in this category.	02 years
2.	Corrupt/Fraudulent (except mentioned sl. no. 1 above) /Collusive/Coercive Practices	03 years
2.1	If an agency again commits Corrupt/Fraudulent (pertaining to BEC of tender) /Collusive/ Coercive Practices in subsequent cases after their banning, such situation of repeated offense to be dealt with more severity and following shall be the period of banning:	



	(i) Repeated once	07 years (in addition to the period already served)
	(ii) Repeated twice or more	15 years (in addition to the period already served)
3.	Indulged in unauthorized disposal of materials provided by GAIL	07 years
4.	If act of vendor/ Contractor is a threat to the National Security	15 years

37.2. The Fraud Prevention Policy document is available on GAIL's website ([www.gailonline.com](http://www.gailonline.com))

37.3. Name and contact details of nodal officer are mentioned in BDS.

**37.4. NON-APPLICABILITY OF ARBITRATION CLAUSE IN CASE OF BANNING OF VENDORS/ SUPPLIERS / CONTRACTORS/BIDDERS/ CONSULTANTS INDULGED IN FRAUDULENT/ COERCIVE PRACTICES**

Notwithstanding anything contained contrary in the tender and other "CONTRACT DOCUMENTS", in case it is found that the Service Provider/Bidders indulged in fraudulent/ coercive practices at the time of bidding, during execution of the Contract etc., and/or on other grounds as mentioned in GAIL's "Procedure for action in case Corrupt/Fraudulent/Collusive/Coercive Practices", the service provider/bidder shall be banned (in terms of aforesaid procedure) from the date of issuance of such order by GAIL (India) Ltd., to such Service Providers/Bidders.

The Service Provider/ Bidder understands and agrees that in such cases where Service Provider/ Bidder has been banned (in terms of aforesaid procedure) from the date of issuance of such order by GAIL (India) Limited, such decision of GAIL (India) Limited shall be final and binding on such Service Provider/ Bidder and the 'Arbitration clause' in this Tender and other "CONTRACT DOCUMENTS" shall not be applicable for any consequential issue /dispute arising in the matter.

**38. DISPUTE RESOLUTION MECHANISM**

**38.1. DIRECT MECHANISM**

During execution of orders, various issues may arise. In order to timely detect and to address the Contractual issue(s) during the execution of Contracts, the buyer (hereinafter referred 'Buyer') should first refer any issues/disputes to Engineer-in-Charge (EIC) for LOA/Contracts to timely address the issues, if any.

Accordingly, the methodology for resolution of issue(s)/ grievance (s) of Vendor/Supplier/Buyer shall be as under:

- (i) Any issue should be first referred to EIC for LOA/Contracts through email.
- (ii) In case, Vendor/Buyer is not satisfied, there is a provision of escalation of issue to Dealing officer as per Clause 2.0 (J) of IFB. This option is available two times to vendor.
- (iii) Further, issue(s) can only be submitted upto 1 month after closure of respective Contract.
- (iv) Vendor/Buyer should refer their issue/ grievance through above mode only. Issue/ grievance received through any other mode shall not be entertained.



## 38.2. CONCILIATION AND ARBITRATION

### 1.0 CONCILIATION

GAIL (India) Limited has framed the Conciliation Rules 2010 in conformity with Part -III of the Arbitration and Conciliation Act 1996 as amended from time to time for speedier, cost effective and amicable settlement of disputes through conciliation. All issue(s)/dispute(s) arising under the Contract, which cannot be mutually resolved within a reasonable time as per clause no. 40.1, may be referred for conciliation in accordance with GAIL Conciliation Rules 2010 as amended from time to time. A copy of the said rules have been made available on GAIL's web site i.e www.gailonline.com.

Where invitation for Conciliation has been accepted by the other party, the Parties shall attempt to settle such dispute(s) amicably under Part-III of the Arbitration and Conciliation Act, 1996 and GAIL (India) Limited Conciliation Rules, 2010. It would be only after exhausting the option of Conciliation as an Alternate Dispute Resolution Mechanism that the Parties hereto shall invoke Arbitration Clause. For the purpose of this clause, the option of 'Conciliation' shall be deemed to have been exhausted, even in case of rejection of 'Conciliation' by any of the Parties.

### 2.0 ARBITRATION

All issue(s)/dispute(s) excluding the matters that have been specified as excepted matters and listed at clause no. 2.6 and which cannot be resolved through Conciliation, such issue(s)/dispute(s) shall be referred to arbitration for adjudication by Sole Arbitrator.

The party invoking the Arbitration shall have the option to either opt for Ad-hoc Arbitration as provided at Clause 2.1 below or Institutionalized Arbitration as provided at Clause 2.2 below, the remaining clauses from 2.3 to 2.7 shall apply to both Ad-hoc and Institutional Arbitration:-

2.1 On invocation of the Arbitration clause by either party, GAIL shall suggest a panel of three independent and distinguished persons (Retd Supreme Court & High Court Judges only) to the other party from the Panel of Arbitrators maintained by 'Delhi International Arbitration Centre (DIAC) to select any one among them to act as the Sole Arbitrator. In the event of failure of the other party to select the Sole Arbitrator within 30 days from the receipt of the communication from GAIL suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and GAIL shall appoint the Sole Arbitrator from the suggested panel of three Arbitrators for adjudication of dispute(s). The decision of GAIL on the appointment of the sole arbitrator shall be final and binding on the other party. The fees payable to Sole Arbitrator shall be governed by the fee Schedule of 'Delhi International Arbitration Centre'.

OR

2.2 If a dispute arises out of or in connection with this Contract, the party invoking the Arbitration shall submit that dispute to any one of the Arbitral Institutions i.e ICADR/ICA/DIAC/SFCA and that dispute shall be adjudicated in accordance with their respective Arbitration Rules. The matter shall be adjudicated by a Sole Arbitrator who shall necessarily be a Retd Supreme Court/High Court Judge to be appointed/nominated by the respective institution. The cost/expenses pertaining to the said Arbitration shall also be governed in accordance with the Rules of the respective Arbitral Institution. The decision of the party invoking



the Arbitration for reference of dispute to a specific Arbitral institution for adjudication of that dispute shall be final and binding on both the parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.

- 2.3 The cost of arbitration proceedings shall be shared equally by the parties.
- 2.4 The Arbitration proceedings shall be in English language and the seat, venue and place of Arbitration shall be New Delhi, India only.
- 2.5 Subject to the above, the provisions of Arbitration & Conciliation Act 1996 and any amendment thereof shall be applicable. All matter relating to this Contract and arising out of invocation of Arbitration clause are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.
- 2.6 List of Excepted matters:
  - (a) Dispute(s)/issue(s) involving claims below Rs 25 lakhs and above Rs 25 crores.
  - (b) Dispute(s)/issue(s) relating to indulgence of Contractor/Vendor/Bidder in corrupt/fraudulent/collusive/coercive practices and/or the same is under investigation by CBI or Vigilance or any other investigating agency or Government.
  - (c) Dispute(s)/issue(s) wherein the decision of Engineer-In-Charge/owner/GAIL has been made final and binding in terms of the Contract.
- 2.7 Disputes involving claims below Rs 25 Lakhs and above Rs. 25 crores:- Parties mutually agree that dispute(s)/issue(s) involving claims below Rs 25 Lakhs and above Rs 25 crores shall not be subject matter of Arbitration and are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.

### **3.0 GOVERNING LAW AND JURISDICTION:**

The Contract shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to the exclusive jurisdiction of the Courts situated at New Delhi for adjudication of disputes, injunctive reliefs, actions and proceedings, if any, arising out of this Contract.

### **39. DISPUTES BETWEEN CPSE'S/GOVERNMENT DEPARTMENT'S/ ORGANIZATIONS**

Subject to conciliation as provided above, in the event of any dispute (other than those related to taxation matters) or difference relating to the interpretation and application of the provisions of commercial Contract(s) between Central Public Sector Enterprises (CPSEs/ Port Trusts) inter se and also between CPSEs and Government Departments /Organizations), such dispute or difference shall be taken up by either party for resolution only through AMRCD as mentioned in OPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at First level, through it's administrative Ministry/Department, whose decision will be final and binding on all concerned.

### **40. PROMOTION OF PAYMENT THROUGH CARDS AND DIGITAL MEANS**

To promote cashless transactions, the onward payments by Contractors to their employees, service providers, sub-Contractors and suppliers may be made through Cards and Digital means to the extent possible



Annexure-I to Section-III

**BIDDING DATA SHEET (BDS)**

<b>A. GENERAL</b>											
<b>ITB clause</b>	<b>Description</b>										
<b>1.1</b>	Seller/Operator is: GAIL (India) Limited, Noida										
<b>1.2</b>	The name of the Services to be performed is: OPEN MARKET SALE OF CRUDE OIL FROM GALIYANA QPS (BLOCK: CB-ONN-2010/11)										
<b>3</b>	BIDS FROM CONSORTIUM/ JOINT VENTURE- <b>NOT APPLICABLE</b>										
<b>B. BIDDING DOCUMENT</b>											
<b>ITB clause</b>	<b>Description</b>										
<b>8.1, 21.2, 37.3</b>	For <b>clarification purposes</b> only, the communication address is: Mr. Narendra Kumar, GM (E&P) GAIL (India) Limited E&P Department, 16th Floor, Jubilee Tower, B-35 &36, Sector-1, Noida-201301 (UP) Ph.: 0120-2446400 (Extn. 11614) Email: <a href="mailto:n.kumar@gail.co.in">n.kumar@gail.co.in</a>										
<b>C. PREPARATION OF BIDS</b>											
<b>ITB clause</b>	<b>Description</b>										
<b>11.1</b>	List of Bid documents										
<b>12</b>	Additional Provision for Schedule of Rate/ Bid Price are as under: <b>Nil</b>										
<b>12 &amp; 13</b>	Whether GAIL will be able to avail input tax credit in the instant tender <table border="1" style="margin-left: 20px;"> <tr> <td style="text-align: center;"><b>YES</b></td> <td></td> </tr> <tr> <td style="text-align: center;"><b>NO</b></td> <td style="text-align: center;">✓</td> </tr> </table> <p>Details of GAIL/Operator:</p> <table border="1" style="margin-left: 20px;"> <tr> <td>Services to be rendered at</td> <td>Location mentioned in SCC/SOW</td> </tr> <tr> <td>PAN No.</td> <td>AAACG1209J</td> </tr> <tr> <td>GST No.</td> <td>24AAACG1209J4ZZ</td> </tr> </table>	<b>YES</b>		<b>NO</b>	✓	Services to be rendered at	Location mentioned in SCC/SOW	PAN No.	AAACG1209J	GST No.	24AAACG1209J4ZZ
<b>YES</b>											
<b>NO</b>	✓										
Services to be rendered at	Location mentioned in SCC/SOW										
PAN No.	AAACG1209J										
GST No.	24AAACG1209J4ZZ										
<b>14</b>	The currency of the Bid/EMD/BG shall be <b>INR</b>										
<b>15</b>	The bid validity period shall be <b>Three Months</b> from final 'Bid Due Date'.										



<b>16, 36</b>	<p>In case 'Earnest Money / Bid Security', “Contract Performance Security” or “Bank Guarantee “is in the form of 'Demand Draft' or 'Banker's Cheque', the same should be favour of <b>GAIL CB ONN 2010 11 E AND P BLOCK</b>, Payable at _____.</p> <p>In case of submission through online banking transaction i.e. IMPS / NEFT / RTGS / SWIFT, etc, the details of GAIL’s Bank account are as under:</p> <table border="1" style="width: 100%;"> <tr> <td>Name of Bank &amp; Address-</td> <td>HDFC Bank Limited, Harsha Bhawan, Connaught Place, New Delhi-110 001</td> </tr> <tr> <td>Branch code &amp; name</td> <td>000003 K G MARG-NEW DELHI</td> </tr> <tr> <td>Type of account</td> <td>CURRENT</td> </tr> <tr> <td>RTGS/IFSC code</td> <td>HDFC0000003</td> </tr> <tr> <td>Digit MICR code</td> <td>110240001</td> </tr> <tr> <td>Account Number</td> <td>00030350017224</td> </tr> <tr> <td>Account Name</td> <td>GAIL CB ONN 2010 11 E AND P BLOCK</td> </tr> </table> <p>Bidder to mention reference no. “EMD/.....” in narration while remitting the EMD / Bid Security amount and to mention reference no. “CPS/.....” in narration while remitting the CPS amount in GAIL’s Bank Account. <b>EMD Amount: INR 7.5 Lakhs (INR Seven Lakhs Fifty Thousand Only)</b> <b>Bank Guarantee Amount: INR 19.00 Lakhs (INR Nineteen Lakhs)</b></p>	Name of Bank & Address-	HDFC Bank Limited, Harsha Bhawan, Connaught Place, New Delhi-110 001	Branch code & name	000003 K G MARG-NEW DELHI	Type of account	CURRENT	RTGS/IFSC code	HDFC0000003	Digit MICR code	110240001	Account Number	00030350017224	Account Name	GAIL CB ONN 2010 11 E AND P BLOCK
Name of Bank & Address-	HDFC Bank Limited, Harsha Bhawan, Connaught Place, New Delhi-110 001														
Branch code & name	000003 K G MARG-NEW DELHI														
Type of account	CURRENT														
RTGS/IFSC code	HDFC0000003														
Digit MICR code	110240001														
Account Number	00030350017224														
Account Name	GAIL CB ONN 2010 11 E AND P BLOCK														

**D. SUBMISSION AND OPENING OF BIDS**

ITB clause	Description
<b>4.0 of IFB</b>	<p><b>For Submission of Physical Document</b> as per clause no. 4.0 of IFB, the Operator’s address is: Mr. Narendra Kumar, GM (E&amp;P) GAIL (India) Limited E&amp;P Department, 16th Floor, Jubilee Tower, B-35 &amp;36, Sector-1, Noida-201301 (UP) Ph.: 0120-2446400 (Extn. 11614) Email: <a href="mailto:n.kumar@gail.co.in">n.kumar@gail.co.in</a> Refer due dates in section-I (IFB)</p>

**E. BID OPENING AND EVALUATION**

ITB clause	Description
<b>32</b>	<p>Evaluation Methodology is mentioned in Section-II.</p> <p>a) GAIL will evaluate and compare the Price bids of the techno-commercially qualified bidders. The evaluation will be done on H1 (Highest) basis exclusive of VAT/GST/CST. The H1 shall be the bidder who offer Highest Premium/Lowest Discount % as per price bid evaluation.</p> <p>b) In case of tie between bidders, preference would be given for award based on turnover of the previous Financial year.</p>

**F. AWARD OF CONTRACT**

ITB clause	Description
<b>35</b>	State of India which stamp paper is required for Contract Agreement: Uttar Pradesh / Residing state of Successful bidder



# **SECTION- IV**

## **SPECIAL CONDITIONS OF CONTRACT**

### **(SCC)**



## SPECIAL CONDITIONS OF CONTRACT (SCC)

### 1.0 GENERAL

- 1.1 GAIL (India) Limited (Operator) and its coventurers Bharat PetroResources Limited. (BPRL) and Engineers India Ltd. (EIL) (hereinafter referred to as Sellers) with a participating interest of 47.06%, 29.41% and 23.53% respectively has successfully developed crude oil discovery of well Galiyana#1 in block CB-ONN-2010/11 and completed the Galiyana Quick Production System (QPS). The well is producing crude oil and is located in Galiyana village in Tarapur Taluk of Anand district, Gujarat. The crude oil production from this block is slated ~18 BOPD (barrels of oil per day) which may be ramped up at a future date. The Crude Oil API Gravity is ~ 39 degree and is sweet in nature.
- 1.2 GAIL intends to invite prospective buyers (preferably end consumers) to participate in open tendering process to purchase the crude oil from Galiyana QPS on as is where is basis for a period of one year. The Crude oil will be delivered at the delivery point as per clause 4.0
- 1.3 The bidder on successful award of Contract (“Buyer”) shall perform the Contract detailed in the Scope of Work, hereof in accordance with the terms and conditions of this tender and, in consideration of the said Contract, the Buyer shall pay the Operator as per the Schedule of Rates according to the terms and conditions herein contained.

### 2.0 EFFECTIVE DATE AND PERIOD OF CONTRACT

- 2.1 The date of issue of Fax of Intent (“FOI”)/Letter of Acceptance (“LOA”) by Company shall be the ‘Effective Date’ of the Contract and the period of the Contract shall be for one year from the date of first supply of Crude to the Bidder under this tender unless terminated earlier in accordance with the terms hereof. With effect from the Effective Date, the Bidder and the Operator have to execute Crude Oil Sale Contract (CSC) as per the model CSC at **Annexure-I to Section-IV**. At Operator’s discretion, the Agreement may be extended at the same Terms and Conditions. GAIL shall have the option / right to **commence and terminate** the Contract, at any time before the expiry date of the Contract in accordance with various provisions contained in the Contract.

### 3.0 PURCHASE AND SALE OF CRUDE

- 3.1 The Operator shall agree to sell and the Buyer shall agree to purchase the Crude oil produced by the Operator from the Galiyana Field of CB-ONN-2010/11 Block.

### 4.0 DELIVERY POINT

- 4.1 As defined hereinbefore in the agreement, the Crude Oil Delivery Point shall be the outlet flange of Galiyana QPS of block CB-ONN-2010/11 located in Galiyana village in Tarapur Taluk of Anand district, Gujarat where the title and risk of the crude shall pass from the Operator to the Buyer.

### 5.0 OTHER CONDITIONS

- a) Bidder should be in a position to commence lifting of crude oil within a maximum period of 30 days from the date of issuance of LOA.
- b) Bidder should provide undertaking that he will use the crude at its own plant.
- c) Bidder is barred to resale the crude to other buyers in any case.



**6.0 PRICE**

6.1 The price per barrel of the produced Crude shall be the reference crude price as per clause 6.2 ± premium/discount, which is based on the derived price (as per the formula given below) from the quoted premium/discount for Water Cut (%) (WC) for two slabs as per Section-VII, SCHEDULE OF RATE (SOR).

For crude with 5% and less water cut	As per quoted SOR
For crude with 15% water cut	As per quoted SOR
Water Cut %	Derived % rate
5.00%	Derived % as per the formula given below for any WC%. The same formula will be used for billing for WC% with decimal places.
6.00%	
7.00%	
8.00%	
9.00%	
10.00%	
11.00%	
12.00%	
13.00%	
14.00%	
15.00%	

$$\text{Rate at any WC \%} = \text{(Quoted \% for 5\% WC)} + \frac{\text{(Quoted \% for 15\% WC - Quoted \% for 5\% WC)}}{\text{(15 \% - 5\%)}} \times \text{(Any WC \% - 5\%)}$$

*For billing purpose, for every 2.00% water cut above 15.00%, 2.00% discount would be applicable commencing from the discount for 15.00% water cut derived from the formula. (See sample price bid evaluation at Page 104).*

6.2 The reference crude price is the average of the mean Bonny Light Crude Oil Price in USD as published in Platts Marketwire for Bonny Light Crude Oil for **30 days preceding delivery**. It does not indicate that the crude quality is of Bonny Light Crude Oil instead it is used as Benchmark crude.

6.3 The price as above shall be applicable for calculating value for the quantity of net crude (in Barrels) delivered to Buyer at the delivery point as per Operator’s Crude certificate in the form prescribed at **Annexure-V to Section-V**.

6.4 Nomination and failure to lift Crude after having accepted Nomination

- a. The Operator shall issue a “Supply Notice” (SN) to Buyer vide e-mail for any specific day of “crude sale” at least one day prior to the date of supply. Supply Notice will mention the “Date of Supply” and “Supply Plan Quantity (SPQ) in barrel”.
- b. Immediately upon receipt of the Supply Notice from the Operator, the Buyer shall either confirm its willingness to accept the quantities mentioned in the Supply Notice on the date of supply or immediately intimate the Operator that the Buyer is not able to accept the said quantities. In case of any change in plan, both parties will notify in advance.
- c. Such denial to accept the quantities cannot continue for more than 3 consecutive days at any point of time (except for Scheduled Outage) after which the Buyer will be



obligated to lift the quantity including the quantity not lifted due to denial to lift the quantity.

- d. Failure to lift the offtake quantity as per Clause 6.4.a (except for Scheduled Outage, Force Majeure) will result in the following:
- (i) Operator levying Liquidated Damage (LD) to Buyer amounting to 10% of the sale value of difference of monthly minimum offtake quantity and actual monthly lifted quantity. The Operator shall have right to recover such LD from Bank Guarantee. The crude price for LD shall be calculated based on monthly average of specified crude in which the crude was not lifted and without any quoted discount as per tender. This will be calculated once each month for the quantity of crude lifted in previous month and/or;
  - (ii) The Operator reserves the right to sell the Crude to third party and /or;
  - (iii) Terminate the Contract as per provisions of Clause 15.
- e. In case the Buyer does not offtake minimum monthly quantity (except for Scheduled Outage, Force Majeure), the Contract will be terminated as per provisions of Clause 15.
- f. Buyer will be required to reinstate the Bank Guarantee to its original value before the re-start of offtake of crude, in case there is any recovery from Bank Guarantee for any reason.

6.5 In the event Platts ceases to publish or is not published for a period of thirty (30) Consecutive days, the Parties shall agree on an alternative daily publication.

## 7.0 TAXES AND DUTIES

7.1 The Parties agree that the Buyer shall be responsible and bear all the applicable taxes and duties levied beyond the Delivery Point on the sale and purchase of Crude as contemplated in this Contract without recourse to the Operator. The quotes stated in Schedule of Rates (SOR) shall be exclusive of VAT/GST/CST. The VAT/GST/CST shall be extra as applicable and borne by the Buyer and remitted to the Operator (GAIL) along with every invoice.

7.2 The Parties further agree that in case of any increase / decrease in the rate of applicable Taxes and Duties or in case of withdrawal of existing taxes or introduction of any new taxes after the date of this Agreement, the same shall be borne by the Buyer.

## 8.0 BILLING & PAYMENT

8.1 The Operator shall provide the invoice to the Buyer within three working days upon completion of each lifting. Operator will issue e-way bill/convey note including necessary details such as tanker details, invoice value etc. for transportation of crude to Buyer's location. The invoice shall be sent over email and followed by hard copy if requested by the Buyer.

### *Illustrative example for the billing methodology:*

#### **A. RATE**

Bonny light Rate (Avg. of daily mean benchmark from 30 days prior to delivery) 85.0000 USD/BBL

Rate Agreed: (-2%) less to Bonny Light Crude Oil price for crude up to 5% WC.

Realised rate =  $\$85.0000 \times 0.98 = 83.3000$  USD/BBL

#### **B. EXCHANGE RATE**



Exchange rate per USD - INR 87.0000 (Average Forex as per Clause 8.3)

**C. QUANTITY**

Net Crude Volume as per Section-V, Annexure-V (Loaded qty x volume correction) = 100 BBL

**D. INVOICE CALCULATION (Sample only)**

Net Crude Qty in Barrels	Realized Rate per barrel in USD	Sale value in USD	Forex Rate, Avg of TT Buy-Sell	Total Amount in INR	Applicable Tax (VAT @ 5 %) in VAT case	Total Amount to be invoiced (INR)
A	B	C=A x B	D	E=C x D	F = 5% of E	G = E+F
100	83.3000	8,330.00	87.0000	7,24,710.00	36,235.50	7,60,946

8.2 The Buyer shall make the payment to the sellers separately (GAIL, BPRL and EIL) to their designated bank account (Details of accounts will be provided during execution of the Contract) within a period of **three (03)** days excluding bank holidays, from the date of receipt of the Invoice (“Due Date”). The sales proceed distribution is illustrated below.

- Along with Invoice, Operator will issue Payment direction to the Buyer..
- Buyer shall remit amount to the Sellers directly to their respective bank accounts as per Payment direction issued by Operator.
- Buyer shall deduct TDS as applicable from each seller’s share as per Payment direction.
- Buyer shall pay GAIL its share of amount as per Payment direction plus full VAT/CST on invoice amount as GAIL is the Operator and handling VAT/CST.
- Buyer shall pay other sellers (BPRL and EIL) their respective share after deducting TDS as applicable as per Payment direction.

Operator will be the single contact point for the Buyer for all billing and payment related matters and the Buyer should communicate only with Operator for matters regarding this Contract. The date of receipt of Invoice shall be the date on which Invoice has been sent over email. The payment shall only be deemed to be received when the invoice amount is duly credited to the designated bank accounts. Mode of payment shall be by electronic transfer of funds (RTGS/NEFT) transfer to the designated bank accounts. If the Due Date for payment falls on a day which is not a Business Day, the payment shall be deemed to be due on a Business Day which is immediately preceding the Due Date.

8.3 Payment will be made in Indian Rupees. For conversion of USD into INR, the average of SBI-TT selling and SBI-TT buying Rate taken by State Bank of India on the **previous Business Day** of the despatch date.

8.4 In case, the Buyer fails in making payment of any of the invoice by the Due Date, the Buyer shall be liable to pay interest on such delayed payment at the rate of SBI Base Rate (as on the Due Date) **plus 6.5% per annum** for every day of delay till the date of payment which will be charged in next invoice. The period of payment with interest is for ten days from the Due Date following which encashment of Bank Guarantee will be carried out by the Operator.

8.5 The Price of Crude supplied hereunder shall be truncated to **04 (four) decimal places** and the final invoice amount shall be rounded off to nearest one.



- 8.6 a) Bank Guarantee: Within thirty (30) days of the issue of Letter of Award (LOA), the Buyer shall present to the Operator an irrevocable and unconditional Bank Guarantee payable on first demand by Operator (as per Format F-2), issued by an approved bank amounting to **Rs. 19 Lakhs (INR Nineteen Lakhs)** and shall be valid for a period of 18 months from the date of issue of LOA. Failure to comply with this condition will constitute grounds for termination of the Letter of award/ Contract and forfeiture of the submitted bid bond. Such Bank Guarantee shall be irrevocable and restored to its full value in case of draw down. If the Buyer does not submit the Bank Guarantee as stipulated above, the Operator reserves the right to cancel the LOA. The Bank Guarantee in the prescribed format from the banks shall be a pre-requisite for signing the Contract.
- 8.7 The Bank Guarantee shall be from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve bank of India as scheduled foreign bank. However, in case of bank guarantees from banks other than the Nationalised Indian banks, the bank must be a commercial bank having net worth in excess of Rs 100 crores and a declaration to this effect shall be made by such commercial bank either in the Bank Guarantee itself or separately on its letterhead. Alternatively, the Buyer can submit BG as per ITB clause 36.6.
- 8.8 The Buyer, by furnishing the Bank Guarantee, shall guarantee the timely payments under the Contract and as per the conditions of the Contract. It will be the Buyer's responsibility to revalidate the Bank Guarantee document during the Term of the Contract. The amount of BG shall be reviewed by operator after six months. In case of increase/decrease in the crude price by 10 % from the calculated BG value, Buyer shall have to revise the BG value accordingly.
- 8.9 In no circumstances, Buyer will request of lifting material more than the available balance amount in Bank Guarantee. For this purpose, Buyer shall have to be in touch with Operator for the available balance and accordingly only put request for lifting quantity. In case of less amount, Buyer would always submit Bank Guarantee for the additional amount for lifting desired quantity.
- 8.10 Operator shall not be liable to pay any Bank Charges, Commissions or Interest on the amount of Bank Guarantee.
- 8.11 The Operator reserve the right to invoke the bank guarantee for any of the following reasons including but without limitation to:
- For recovering amounts from the Buyer in accordance with Clause 8.2, 8.4 and Clause 6.4 d (i)
  - If Buyer fails to make payments to the Operator as per the terms and conditions of `the Contract.
  - If Buyer does not allow the Operator to follow, the laid down procedures for measurement or creates obstruction in acceptance of the Crude as per SOW/SOR.
- 8.12 The Bank Guarantee is intended to operate as security for amounts (including damages where applicable) which becomes payable by the Buyer by virtue of this Contract. Without prejudice to its other rights under the Contract or at law, Operator shall be entitled to forfeit the Bank Guarantee, should the Buyer fail to perform in accordance with the provisions of the Contract or fail to comply with the provisions of this Contract. The Bank Guarantee shall remain at the entire disposal of Operator as Security for the satisfactory commencement, performance and completion of the Scope of Work under the conditions of the Agreement /



Contract including recovery of amounts due to the Operator from the Buyer arising out of this Contract under whatever head.

## **9.0 TITLE AND RISK**

9.1 Title and risk in the Quantity of Crude delivered hereunder shall pass from Operator to Buyer at the Delivery Point as determined by Clause 4.0 of SCC.

9.2 The Operator shall be responsible for taking and maintaining Product, Third Party and Comprehensive Insurance covering risks / hazards prior to the Delivery Point. The Buyer shall be responsible for taking and maintaining the Product, Third Party and Comprehensive Insurance covering risks / hazards after the Delivery Point.

## **10.0 SCHEDULED OUTAGES**

10.1 Buyer / Operator shall give the other party sufficient notice, in writing/email, before the Scheduled Outage. Both parties agree to coordinate for matching the outage period wherever feasible. Under normal circumstances, total period of Scheduled Outage shall not be more than 15 days in one year. However, all scheduled maintenance must be intimated in writing to Company two (2) weeks in advance

## **11.0 CHANGE IN LAWS, REGULATIONS, ORDERS**

11.1 If at any time and from time to time during the currency of the Contract any Laws, Regulations and Orders are changed or new Laws, Regulations and Orders have become or are due to become effective and the material effect of such changed or new Laws, Regulations and Orders;

(a) is not covered by any other provisions of this Agreement, and/or

(b) has or will have a materially adverse economic effect on either party, the affected party shall have the option to require renegotiation of the Price or other relevant terms of the Agreement. The affected party may exercise such option at any time after such changed or new Laws, Regulations and Orders are promulgated by written notice to the other party, such notice to contain the terms desired by the affected party. If the Parties do not agree upon new Price or terms satisfactory to both Parties within 15 days after the date of the affected party's notice, the affected party shall have the right to terminate the Agreement after giving a notice of 30 days at the end of such 15-day period. Any Crude delivered during such 15-day period shall be sold and purchased at the existing Price and on the terms applying under the Agreement.

11.2 Notwithstanding anything contained in the Definition or in Clause 11.1 and 11.2, the term "Laws, Regulations and Orders" shall not include any laws, regulations, orders pertaining to direct, or indirect taxes for the purpose of this Clause 11. For clarification, it is agreed that any changes in laws, regulations and orders dealing in any manner with direct or indirect taxes shall be governed solely by Clause 7.0 above and that the provisions of Clause 11 shall have no application in such cases.

## **12.0 AUTHORITY OF OPERATOR**

12.1 In all matters relating to this Contract, all acts, deeds, matters and things of whatever nature or kind required to be done, signed and/ or presented, as the case may be and all appointments required to be made shall be made as the case may be, shall be done signed presented and/ or made by the Operator for and/ or on behalf of the Operator and all parties constituting the Sellers any such act deed matter or thing signed done or presented or any such appointment



made shall be binding upon the persons/ companies constituting the Sellers and their successors and assigns in the same manner and to the same extent as if done by them individually with the intent that Buyer shall deal with the Operator as the sole authorized representative of the Sellers for the purposes of this agreement. This authority shall not be subject to revocation except by writing issued by all parties constituting the Sellers.

### **13.0 INDEMNITY**

13.1 After the Delivery Point, the Buyer shall be deemed to be in exclusive possession and control of the crude and fully liable and responsible for its arrangements, appurtenances and properties. Accordingly, except in case of gross negligence and wilful misconduct of the Operator, Sellers, the Buyer covenants and agrees to fully protect, indemnify and hold the Operator, Sellers, its employees, agents and successors and assigns harmless against any and all claims, all liabilities, costs, expenses, damages or losses growing out of or resulting from or incidental to or in connection therewith which may be made or brought against the Operator, Sellers whether by the Buyer, its employees, agents or successors and assigns or by third parties on account of damages or injury to property or person or loss of life resulting from or arising out of possession and handling of crude supplied and further defend the Operator, Sellers at Buyer's sole expense in any litigation involving the Operator, Sellers.

13.2 Likewise, before the Delivery Point the Operator shall be in control and exclusive possession of crude and shall be fully liable and responsible for its arrangements, appurtenances and properties except to the extent of any incident happening due to gross negligence and wilful misconduct of the Buyer.

13.3 Consequential Loss: Except for Operator's rights in the provisions of Article 5 and 9 of CSC, neither Party shall be liable to the other for any indirect or consequential loss or damage including any loss of revenue, loss of use, loss of profit or anticipated profits, loss of business opportunity or loss or damage of any other kind suffered by such Party or its group and each Party shall indemnify, defend and hold the other Party harmless in this regard.

### **14.0 FORCE MAJEURE**

14.1 Shall mean and be limited to the following:

a) War/hostilities b) Riot or Civil commotion c) Earthquake, flood, tempest, lightening or other natural physical disaster. d) Restrictions imposed by the Government or other Statutory bodies which prevents or delays the execution of the Contract by the Operator In the event of Force Majeure, the affected Party shall provide notice promptly and in no case later than 48 hours after the occurrence of event of Force Majeure, notify the other Party with respect to the ongoing Force Majeure event, giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons of its suspension and the affected Party's ability to recommence performance of its obligations under the Agreement as soon as possible. In the event of delay lasting over one month, if arising out of causes of Force Majeure, Operator reserves the right to cancel the Contract and the provisions governing termination stated under Clause 15.0 shall apply.

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

14.3 In the event of Force Majeure, the Parties agree to use best efforts to remedy the event of and mitigate the effect of Force Majeure.



14.4 In the event of Force Majeure affecting the Buyer, the Operator reserves the right to sell the Crude to any other buyer during the ongoing Force Majeure Event affecting the Buyer. This shall in no way affect the surviving obligations of the Buyer including its responsibility of making best efforts to mitigate the effect of Force Majeure and commencing its obligations under the Contract at the earliest.

## 15.0 TERMINATION

15.1 Operator may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving 30 days' notice to Buyer, suspend deliveries of the Crude or upon giving 30 days' notice to Buyer terminate the Agreement if:

- (i) Period of Agreement has expired;
- (ii) Buyer for any reason whatsoever fails to make any payment due to Operator under the Agreement by the Due Date, and such failure remains un-remedied at the expiry of the aforesaid notice period;
- (iii) Buyer is in substantial breach of its material obligations under the Agreement and such breach or failure remains unremedied at the expiry of the aforesaid notice period;
- (iv) Buyer fails to take delivery of Crude it is obligated to offtake monthly minimum quantity as mentioned in Clause 6.4.e (excepting for Scheduled Outage or Force Majeure or approved by Operator) under this Agreement and such failures are not excused by any other provision in the Agreement;
- (v) Force Majeure continues for 60 days or more;
- (vi) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Buyer;
- (vii) Buyer becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Operator's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- (viii) A receiver is appointed for the whole or significant part of the assets or undertaking of Buyer;
- (ix) Buyer ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued out upon or against any significant part of the property of Buyer and is not discharged until 90 days;
- (x) The Parties fail to agree to a new Price or terms satisfactory to both Parties in terms of Clause 11.2;
- (xi) If Buyer is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
- (xii) Buyer has passed a resolution to apply to a competent court for liquidation.
- (xiii) Production operations have been ceased.
- (xiv) The Participating Interest in the Block is transferred to another Operator by GAIL.
- (xv) Operator is directed by Government of India to discontinue with the sale. Operator decides to terminate the Contract for its own convenience and on any other ground not listed above.

15.2 Subject to any other specific rights of termination contained in this Agreement, this Agreement shall continue in force until terminated by not less than **one month** written notice given by the Operator.

15.3 Any termination of the Agreement shall be without prejudice to the rights and obligations of either Party as accrued at the date of termination.



## 16.0 DISPUTE RESOLUTION

- 16.1 The Bidder and the Operator shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the Contract.
- 16.2 If, after thirty days from the commencement of such informal negotiations, the Bidder and the Operator have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution
- 16.3 GAIL (India) Limited has framed the Conciliation Rules 2010 in conformity with supplementary to Part – III of the Indian Arbitration and Conciliation Act 1996 for speedier, cost effective and amicable settlement of disputes through conciliation. A copy of the said rules made available on GAIL's web site [www.gailonline.com](http://www.gailonline.com) for reference. Unless otherwise specified, the matters where decision of the Engineer-in-Charge is deemed to be final and binding as provided in the Contract and the issues/disputes which cannot be mutually resolved within a reasonable time, all disputes shall be settled in accordance with the Conciliation Rules 2010.
- 16.4 Any dispute(s)/difference(s)/issue(s) of any kind whatsoever between/amongst the Parties arising under/out of/in connection with this Contract shall be settled in accordance with the aforesaid rules.
- 16.5 In case of any dispute(s)/difference(s)/issue(s), a Party shall notify the other Party (ies) in writing about such a dispute(s) / difference(s) / issue(s) between / amongst the Parties and that such a Party wishes to refer the dispute(s)/ difference(s)/issue(s) to Conciliation. Such Invitation for Conciliation shall contain sufficient information as to the dispute(s)/difference(s)/issue(s) to enable the other Party (ies) to be fully informed as to the nature of the dispute(s)/ difference(s) /issue(s), the amount of monetary claim, if any, and apparent cause(s) of action.
- 16.6 Conciliation proceedings commence when the other Party(ies) accept(s) the invitation to conciliate and confirmed in writing. If the other Party (ies) reject(s) the invitation, there will be no conciliation proceedings.
- 16.7 If the Party initiating conciliation does not receive a reply within thirty days from the date on which he/she sends the invitation, or within such other period of time as specified in the invitation, he/she may elect to treat this as a rejection of the invitation to conciliate. If he/she so elects, he/she shall inform the other Party(ies) accordingly.
- 16.8 Where Invitation for Conciliation has been furnished, the Parties shall attempt to settle such dispute(s) amicably under Part-III of the Indian Arbitration and Conciliation Act, 1996 and GAIL (India) Limited Conciliation Rules, 2010. It would be only after exhausting the option of Conciliation as an Alternate Dispute Resolution Mechanism that the Parties hereto shall go for Arbitration in terms of Clause 17.0. For the purpose of this clause, the option of 'Conciliation' shall be deemed to have been exhausted, even in case of rejection of 'Conciliation' by any of the Parties.
- 16.9 The cost of Conciliation proceedings including but not limited to fees for Conciliator(s), Airfare, Local Transport, Accommodation, cost towards conference facility etc. shall be borne by the Parties in equal share.



16.10 The Parties shall freeze claim(s) of interest, if any, and shall not claim the same during the pendency of Conciliation proceedings. The Settlement Agreement, as and when reached/agreed upon, shall be signed between the Parties and Conciliation proceedings shall stand terminated on the date of the Settlement Agreement.

## **17.0 ARBITRATION**

17.1 If the issues/disputes which cannot be resolved through dispute resolution mechanism pursuant to clause 19, all disputes such shall be referred to arbitration by Sole Arbitrator. GAIL shall suggest a panel of three independent and distinguished persons to the Operator to select any one among them to act as the Sole Arbitrator. In the event of failure of the other parties to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and GAIL shall have discretion to proceed with the appointment of the Sole Arbitrator. The decision of GAIL on the appointment of the sole arbitrator shall be final and binding on the parties. The award of sole arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the sole arbitrator, the cost of arbitration proceedings shall be shared equally by the parties. The Arbitration proceedings shall be in English language and seat/venue shall be New Delhi, India. Subject to the above, the provisions of Indian Arbitration & Conciliation Act 1996 and the Rules and amendment thereof shall be applicable. All matter relating to this Contract are subject to the exclusive jurisdiction of the court situated in the state of Delhi.

17.2 Buyer may please note that the Arbitration & Conciliation Act 1996 was enacted by the Indian Parliament and is based on United Nations Commission on International Trade Law (UNCITRAL model law), which were prepared after extensive consultation with Arbitral Institutions and centers of International Commercial Arbitration. The United Nations General Assembly vide resolution 31/98 adopted the UNCITRAL Arbitration rules on 15 December 1976.

17.3 The Bidder/Service Provider understands and agrees that in such cases of banning, the decision of Employer shall be final and binding on such Bidder/Service Provider and the Arbitration Clause mentioned in the Contract Documents shall not be applicable for any issue /dispute arising in the matter.

17.4 In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial Contract(s) between Central Public Sector Enterprises (CPSEs) inter se and also between CPSEs and Government Departments / Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE (GM) / FTS-1835 dated 22.05.2018.

## **18.0 JURISDICTION**

18.1 The Contract shall be governed by and constructed according to the laws in force in India. The Buyer hereby submits to the jurisdiction of the Courts situated at New Delhi/Delhi only for the purposes of disputes, actions and proceedings arising out of the Contract and it is agreed that the Courts at New Delhi/Delhi only will have the exclusive jurisdiction to hear and decide such disputes, actions and proceedings.



**19.0 CONTINUANCE OF THE CONTRACT**

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



**ANNEXURE-I TO SECTION-IV**

**(MODEL CRUDE OIL SALE CONTRACT)**

**Note 1 – This is an indicative sample Crude Oil Sale Contract (CSC) between Buyer and Seller. Terms and conditions of the agreement may change after mutual discussion between successful bidder (H1) and Seller as per commercial/technical scope of tender. However, in case where the H1 Bidder fails to enter into the Contract within 30 days from the date of the Letter of Award, GAIL may, at its discretion, treat this model Contract as binding on the H1 Bidder.**

**CRUDE OIL SALE CONTRACT**

**CONTENTS**

Article	1	DEFINITIONS
Article	2	EFFECTIVE DATE AND PERIOD OF CONTRACT
Article	3	PURCHASE AND SALE OF CRUDE
Article	4	DELIVERY POINT
Article	5	QUANTITY
Article	6	QUALITY
Article	7	OTHER CONDITIONS
Article	8	MEASUREMENT
Article	9	PRICE
Article	10	TAXES AND DUTIES
Article	11	BILLING & PAYMENT
Article	12	TITLE AND RISK
Article	13	SCHEDULED OUTAGES
Article	14	CHANGE IN LAWS, REGULATIONS, ORDERS ETC.
Article	15	AUTHORITY OF OPERATOR
Article	16	INDEMNITY
Article	17	FORCE MAJEURE
Article	18	TERMINATION
Article	19	DISPUTE RESOLUTION
Article	20	ARBITRATION
Article	21	JURISDICTION
Article	22	CONTINUANCE OF THE CONTRACT
Article	23	ENTIRE AGREEMENT, AMENDMENTS, WAIVER AND MISCELLANEOUS
Article	24	NOTICES
Article	25	ASSIGNMENTS
Article	26	INDEPENDENT CONTRACTOR
Article	27	COMPLIANCE WITH APPLICABLE LAWS
Article	28	CONFLICT OF INTEREST
Article	29	CONFIDENTIALITY

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**



This Crude Oil Sale Contract is made between GAIL (India) Ltd. (hereinafter referred to as “Operator”) a company whose registered office is at GAIL Bhawan, 16 Bhikaji Cama Place, R K Puram, New Delhi - 110066 (which expression unless it is repugnant to the context or meaning thereof shall mean and include its successors, administrators, assigns and executors) and M/s .....(hereinafter referred as “Buyer”), a company having office at .....(which expression shall unless repugnant to the context or meaning thereof mean and include their permitted assigns and successors) on ..... with Effective Date and Period of Contract as per Letter of Acceptance (LOA) No.: ..... dated .....

## 1.0 DEFINITIONS

1.1 In this Agreement, unless repugnant to the subject or context thereof:

- a) **"ASTM"** means the American Society for Testing Materials;
- b) **"Barrels"** means a volume of forty-two (42) U.S. gallons corrected for temperature to 60 degrees Fahrenheit and 1 atmospheric pressure; One Cubic Meter (M3) shall consist of 6.29297 Barrels.
- c) **"Benchmark Crude"** means as described in clause 3.0 of Scope of Work.
- d) **"Buyer"** means the customer who buys crude oil from the Operator under this Crude Oil Sale Contract Agreement . The term Buyer and Contractor carries same meaning.
- e) **"Consortium"** shall mean the GAIL (India) Ltd (GAIL), Bharat PetroResources Ltd (BPRL) and Engineers India Ltd (EIL), Consortium of three companies developing the Galiyana#1 discovery under the Production Sharing Contract for the block CB-ONN-2010/11.
- f) **"Crude Oil" or "Oil" or "Crude"** means all kinds of hydrocarbons and bitumen both in solid and in liquid form in their natural state or obtained from Natural Gas by condensation or extraction including distillate and Condensate when with the heavier hydrocarbons and delivered as a blend at the Delivery Point but excluding verified Natural Gas.
- g) **"Contract"** means Crude Oil Sale Contract (CSC) executed between the Buyer and Operator which includes this document, LOA/FOA and the Tender document for *OPEN MARKET SALE OF CRUDE OIL FROM GALIYANA QPS (BLOCK: CB-ONN-2010/11)* in its entirety.
- h) **"Delivery Mode"** means the mode of delivery and transportation of Crude as indicated in Schedule.
- i) **"Delivery Point"** means the Crude Oil Delivery Point where the title and risk of the crude shall pass from the Operator to the Buyer. The Delivery Point for block CB-ONN-2010/11 is the outlet flange of Galiyana Quick Production System (QPS) located in Galiyana village in Tarapur Taluk of Anand district, Gujarat.
- j) **"Dip Method"** means measurement of volume of crude with the help of standard calibrated Dip Stick/Tape. **"Due Date"** has the meaning ascribed to it in Article 11.
- k) **"Government"** means the Government of India or Government of State within the territory of India or local authorities like panchayat, municipal corporations, municipality and their successors.



- l) **"Invoice"** means a document containing calculations sent by **Operator** to Buyer pursuant to Article 11 specifying the following elements:
- m) **"Laws, Regulations and Orders"** means the Central, State and local laws of India and all orders, ordinances, rules, regulations, statutory revisionary orders, executive orders, decrees, policies, judicial decisions, notifications or similar directives made pursuant thereto having the effect of a law issued by any executive, legislative, judicial or administrative authority as any of them may be amended from time to time.
- n) **"Lead Operator"** means one of the partners of Consortium nominated / declared as an Operator to carryout Petroleum Operations on behalf of the partners in writing duly signed by the constituent parties with respect to Production Sharing Contract (PSC) and Joint Operating Agreement (JOA) among the Sellers. At present GAIL (India) Limited is the Lead Operator for PSC block CB-ONN-2010/11. The term Lead operator/ Operator carries same meaning.
- o) **"Meter cube (M<sup>3</sup>)"** The cubic meter (symbol m<sup>3</sup>) is the SI derived unit of volume.
- p) **"Metric Ton"** shall mean the unit of weight equal to one thousand (1000) kilograms.
- q) **"Month"** ("**Monthly**") means the period of time commencing at 00.00 hrs on the first day of calendar month and expiring at 24.00 hrs on the last day of the calendar month.
- r) **"Net Crude Quantity"**, Crude quantity at Measured Temperature adjusted for Water Content and Volume Correction in barrel and metric tons.
- s) **"Participating Interest"** means in respect of each constituent of the Seller's, the percentage of undivided share of interest of such constituent in the block CB-ONN-2010/11.
- t) **"Party"** means **Buyer** and **Operator** and **"Parties"** means both Buyer and Operator.
- u) **"Price"** shall mean the price for the crude delivered to the Buyer at the Delivery Point determined in accordance with the provision of this Agreement as specified in Article 9 hereof.
- v) **"Quantity"** has the meaning ascribed to it in Article 5.
- w) **"Scheduled Outage"** has the meaning ascribed to it in Article 13.
- x) **"Seller"** shall mean the consortium GAIL (India) Ltd (GAIL), Bharat PetroResources Ltd (BPRL) and Engineers India Ltd (EIL), Consortium of three companies developing Galiyana#1 discovery under the Production Sharing Contract for the block CB-ONN-2010/11.
- y) **"Specifications"** means the specifications for **Crude** delivered hereunder as set forth in Scope of Work (SOW), Clause 3.0.
- z) **"Supplementary Invoice"** means a document containing calculations sent by Operator to Buyer specifying the detail of all other amounts owing from Buyer to Operator in respect of any previous Billing Period.
- aa) **"Supply Notice"** Operator shall give written supply notice to buyer indicating "Date of Supply" and "Supply Plan Quantity (SPQ) in KL/BBL".



bb) **"Tank Truck"** shall mean trucks/Tanker deployed by Buyer to transfer the crude to Buyer's refinery / processing plant.

cc) **"Time"** means Indian Standard Time.

## 2.0 EFFECTIVE DATE AND PERIOD OF CONTRACT

2.1 The date of issue of Fax of Acceptance ("FOA")/Letter of Acceptance ("LOA") by Company shall be the 'Effective Date' of the Contract and the Period of the Contract shall be as per LOA. At Operator's discretion, the Agreement may be extended at the same Terms and Conditions. GAIL shall have the option / right to terminate the Contract, at any time before the expiry date of the Contract in accordance with various provisions contained in the Contract.

## 3.0 PURCHASE AND SALE OF CRUDE

3.1 The Operator hereby agrees to sell to the Buyer and the Buyer hereby agrees to purchase from the Operator the Crude oil produced by the Operator from the Galiyana Field of CB-ONN-2010/11 Block located at Survey No 213, 215, Galiyana Village, Tarapur Taluk, Anand District, Gujarat.

## 4.0 DELIVERY POINT

4.1 The Delivery Point shall be as defined at DEFINITIONS 1.1.i

## 5.0 QUANTITY

5.1 The Parties agree that the Operator shall make reasonable endeavours to deliver upto **Maximum of 540 barrels** of Crude per month (or any increased quantity as agreed between Buyer and Operator) without there being any guaranteed minimum sale quantity. Buyer shall lift after intimation of each crude custody transfer by the Operator in a way to ensure total lifting of monthly quantity of **Minimum 450 barrels** of Crude Oil. The quantity referred above is crude oil produced from the block after removal of produced water.

## 6.0 QUALITY

6.1 The quality of the crude delivered hereunder shall be the quality of such crude as is usually made available by Operator at the Delivery Point. Operator will endeavor to deliver the quality specifications for the crude as would be mentioned in the **Scope of Work** at the time of delivery. Operator agrees to provide quality certificate (containing water content %, Density at 15 Deg Celsius and volume correction at Annexure-I to V) with each tanker. Standards / method for determining the water content of crude shall be as given in **Annexure-I and 1A**. The parties shall ensure that the Annexures are signed by their representatives and shall be treated as firm and final document for quality of crude.

## 7.0 OTHER CONDITIONS

- a) Buyer should be in a position to commence lifting of crude oil within a maximum period of 30 days from the date of issuance of LOA.
- b) Buyer should provide undertaking that he will use the crude at its own plant.
- c) **Buyer is not allowed to resale the crude to other buyers in any case.**



**8.0 MEASUREMENT**

- 8.1 The Operator shall arrange for delivery of the produced Crude at the Delivery Point from tank to the Tank Trucks (crude oil tankers) arranged by the Buyer. The Buyer shall ensure availability of fit and proper facilities and personnel at the Delivery Point for taking delivery of the Crude. The Buyer shall Record of dip & volume in Road tanker before and after crude loading as per Tanker Challan /Log book/Convey note and get certified by Operator’s/GAIL representative before loading as per **Annexure-IV**. Crude will be loaded at Seller’s QPS Facility at Galiyana field only during daytime from 8:00 hrs to 17:00 hrs in all days in a week.
- 8.2 The quantities of crude delivered by the Operator at the delivery point will be jointly certified and duly signed by Operator & Buyer in the form prescribed at **Annexure-II, III, V** DIP tape / DIP stick Method will be followed for measurement of crude quantity. The quantity shall be adjusted for Density @15 °C in Annexure V.
- 8.3 The quantities so certified by the Operator & Buyer in accordance with Article 8.2 above shall be the basis for invoicing by the Operator under the CSC and shall be treated as firm and final document.

**9.0 PRICE**

- 9.1 The price per barrel of the produced Crude shall be the reference crude price as per clause 6.2 ± premium/discount, which is based on the derived price (as per the formula given below) from the quoted premium/discount for Water Cut (%) (WC) for two slabs as per Section-VII, SCHEDULE OF RATE (SOR).

For crude with 5% and less water cut	As per quoted SOR
For crude with 15% water cut	As per quoted SOR
Water Cut %	Derived % rate
5.00%	Derived % as per the formula given below for any WC%. The same formula will be used for billing for WC% with decimal places.
6.00%	
7.00%	
8.00%	
9.00%	
10.00%	
11.00%	
12.00%	
13.00%	
14.00%	
15.00%	

$$\text{Rate at any WC \%} = \text{(Quoted \% for 5\% WC)} + \frac{\text{(Quoted \% for 15\% WC - Quoted \% for 5\% WC)}}{\text{(15 \% - 5\%)}} \times \text{(Any WC \% - 5\%)}$$

*For billing purpose, for every 2.00% water cut above 15.00%, 2.00% discount would be applicable commencing from the discount for 15.00% water cut derived from the formula. (See page 103 for details).*



- 9.2 The reference crude price is the average of the mean Bonny Light Crude Oil Price in USD as published in Platts Marketwire for Bonny Light Crude Oil for **30 days preceding delivery**. It does not indicate that the crude quality is of Bonny Light Crude Oil instead it is considered as Benchmark crude.
- 9.3 The price as above shall be applicable for calculating value for the quantity of net crude oil (in Barrels) delivered to buyer at the delivery point (Invoice) as per Operator's Crude certificate in the form prescribed at **Annexure-V**.
- 9.4 Nomination and failure to lift Crude after having accepted Nomination
- a. The Operator shall issue a "Supply Notice" to Buyer vide e-mail for any specific day of "crude sale" at least one day prior to the date of supply. Supply Notice will mention the "Date of Supply" and "Supply Plan Quantity (SPQ) in barrel".
  - b. Immediately upon receipt of the Supply Notice from the Operator, the Buyer shall either confirm its willingness to accept the quantities mentioned in the Supply Notice on the date of supply or immediately intimate the Operator that the Buyer is not able to accept the said quantities. In case of any change in plan, both parties will notify in advance.
  - c. Such denial to accept the quantities cannot continue for more than 3 consecutive days at any point of time (except for Scheduled Outage) after which the Buyer will be obligated to lift the quantity including the quantity not lifted due to denial to lift the quantity.
  - d. Failure to lift the offtake quantity as per Article 9.4 (a) (except for Scheduled Outage, Force Majeure) will result in the following:
    - (i) Operator levying Liquidated Damage (LD) to Buyer amounting to 10% of the sale value of difference of monthly minimum offtake quantity and actual monthly lifted quantity. The Operator shall have right to recover such LD from Bank Guarantee. The crude price for LD shall be calculated based on monthly average of specified crude in which the crude was not lifted and without any quoted discount as per tender. This will be calculated once each month for the quantity of crude lifted in previous month and/or;
    - (ii) The Operator reserves the right to sell the Crude to other party and/or;
    - (iii) Terminate the Contract as per provisions of Clause 18.
  - e. In case the Buyer does not offtake minimum monthly quantity of 450 barrels (except for Scheduled Outage, Force Majeure), the Contract will be terminated as per provisions of Article 18.
  - f. Buyer will be required to reinstate the Bank Guarantee to its original value before the re-start of offtake of crude, in case there is any recovery from Bank Guarantee for any reason.
- 9.5 In the event Platts ceases to publish or is not published for a period of thirty (30) Consecutive days, the Parties shall agree on an alternative daily publication.

## 10.0 TAXES AND DUTIES

- 10.1 The Parties agree that the Buyer shall be responsible and bear all the applicable taxes and duties levied beyond the Delivery Point on the sale and purchase of Crude as contemplated



in this Contract without recourse to the Operator. The quotes stated in Schedule of Rates (SOR) shall be exclusive of VAT/GST/CST. The VAT/GST/CST shall be extra as applicable and borne by the Buyer and remitted to the Operator (GAIL) along with each invoice.

10.2 The Parties further agree that in case of any increase / decrease in the rate of applicable Taxes and Duties or in case of withdrawal of existing taxes or introduction of any new taxes after the date of this Agreement, the same shall be borne by the Buyer.

**11.0 BILLING & PAYMENT**

11.1 The Operator shall provide the invoice to the buyer within three working days upon completion of each lifting. Operator will issue e-way bill for transportation of crude to buyer location and necessary details such as tanker details, invoice value etc. shall be provided by buyer. The invoice shall be sent over email and followed by hard copy if requested by the Buyer.

**Illustrative example for the billing methodology: (24 Kl tanker case)**

**A: Rate**

Bonny Light Crude Rate (as per Article 9.0): 85.0000 USD/BBL  
Rate Agreed: (2 % as quoted) more to Bonny Light Crude Oil price for WC up to 5%.  
Realised rate = \$85.0000\*1.02 = 86.700 USD/BBL

**B: Exchange Rate**

Exchange rate per USD - INR 87.00 (As per Article 11.3)

**C: Quantity:**

Net Crude Volume as per Section-V, Annexure-V (Loaded qty x volume correction) = 148.5846 BBL

**D: INVOICE CALCULATION (Sample only)**

Net Crude Qty in Barrels	Realised Rate per barrel in USD	Sale value in USD	Forex Rate, Avg of TT Buy-Sell	Total Amount in INR	Applicable Tax (CST @ 2 %) in CST case	Total Amount to be invoiced (INR)
A	B	C=A x B	D	E=C x D	F = 2% of E	G = E+F
148.5846	86.700	12,882.28	87.0000	11,20,758.78	22,415.18	11,43,174

11.2 The Buyer shall make the payment to the sellers separately (GAIL, BPRL and EIL as defined at Section-IV, clause 1.1) to their designated bank account (Details of accounts will be provided during execution of the Contract) within a period of **three (03) days** excluding bank holidays, from the date of receipt of the Invoice (“Due Date”). The sales proceed distribution is illustrated below.

- Along with Invoice, Operator will issue Payment direction to the Buyer..
- Buyer shall remit amount to the Sellers directly to their respective bank accounts as per Payment direction issued by Operator.
- Buyer shall deduct TDS as applicable from each seller’s share as per Payment direction.
- Buyer shall pay GAIL its share of amount as per Payment direction plus full VAT/CST on invoice amount as GAIL is the Operator and handling VAT/CST.
- Buyer shall pay other sellers (BPRL and EIL) their respective share after deducting TDS as applicable as per Payment direction.



Operator will be the single contact point for the Buyer for all billing and payment related matters and the Buyer should communicate only with Operator for matters regarding this Contract. The date of receipt of Invoice shall be the date on which Invoice has been **sent to Buyer over email**. The payment shall only be deemed to be received when the invoice amount is duly credited to the designated bank accounts. Mode of payment shall be by electronic transfer of funds (RTGS/NEFT) transfer to the designated bank accounts. If the Due Date for payment falls on a day which is not a Business Day, the payment shall be deemed to be due on a Business Day which is immediately preceding the Due Date.

- 11.3 Payment will be made in Indian Rupees. For conversion of USD into INR, the average of SBI-TT selling and SBI-TT buying Rate taken by State Bank of India on the **previous Business Day** of the date on which payment is made shall be applied.
- 11.4 In case, the Buyer fails in making payment of any of the invoice by the Due Date, the Buyer shall be liable to pay interest on such delayed payment at the rate of SBI Base Rate (as on the Due Date) **plus 6.5% per annum** for every day of delay till the date of payment which will be charged in next invoice. The period of payment with interest is for **ten** days from the Due Date following which encashment of Bank Guarantee will be carried out by the Operator.
- 11.5 The Price of Crude supplied hereunder shall be truncated to **04 (four)** decimal places and the final invoice amount shall be rounded off to nearest one.
- 11.6 a) Bank Guarantee: **Within thirty (30) days** of the issue of Letter of Award (LOA), the Buyer shall present to the Operator an irrevocable and unconditional Bank Guarantee payable on first demand by Operator (as per Format F-2), issued by an approved bank amounting to **Rs. 19 Lakhs (INR Nineteen Lakhs)** and shall be valid for a period of 18 months from the date of issue of LOA. Failure to comply with this condition will constitute grounds for termination of the Letter of award/ Contract and forfeiture of the submitted bid bond. Such Bank Guarantee shall be irrevocable and restored to its full value in case of draw down. **If the Buyer does not submit the Bank Guarantee as stipulated above, the Operator reserves the right to cancel the LOA.** The Bank Guarantee in the prescribed format from the banks shall be a pre-requisite for signing the Contract.

The Bank Guarantee shall be from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve bank of India as scheduled foreign bank. However, in case of bank guarantees from banks other than the Nationalised Indian banks, the bank must be a commercial bank having net worth in excess of Rs 100 crores and a declaration to this effect shall be made by such commercial bank either in the Bank Guarantee itself or separately on its letterhead.

The Buyer, by furnishing the Bank Guarantee, shall guarantee the timely payments under the Contract and as per the conditions of the Contract. It will be the Buyer's responsibility to revalidate the Bank Guarantee document during the Term of the Contract. The amount of BG shall be reviewed by operator after six months. In case of increase/decrease in the crude price by 10 % from the calculated BG value, Buyer shall have to revise the BG value accordingly. Alternatively, the Buyer can submit BG as per ITB clause 36.6.

In no circumstances, Buyer will request of lifting material more than the available balance amount in Bank Guarantee. For this purpose, Buyer shall have to be in touch with Operator for the available balance and accordingly only put request for lifting quantity. In case of less amount, Buyer would always submit Bank Guarantee for the additional amount for lifting desired quantity.



Operator shall not be liable to pay any Bank Charges, Commissions or Interest on the amount of Bank Guarantee.

The Operator reserve the right to invoke the bank guarantee for any of the following reasons including but without limitation to:

- For recovering amounts from the Buyer in accordance with Clause 9.4 d (i), 11.2, 11.4, and accordance with Clause 9.0 (c) of the Scope of Work.
- If Buyer fails to make payments to the Operator as per the terms and conditions of the Contract.
- If Buyer does not allow the Operator to follow, the laid down procedures for measurement or creates obstruction in acceptance of the Crude as per SOW/SOR.

The Bank Guarantee is intended to operate as security for amounts (including damages where applicable) which becomes payable by the Buyer by virtue of this Contract. Without prejudice to its other rights under the Contract or at law, Operator shall be entitled to forfeit the Bank Guarantee, should the Buyer fail to perform in accordance with the provisions of the Contract or fail to comply with the provisions of this Contract. The Bank Guarantee shall remain at the entire disposal of Operator as Security for the satisfactory commencement, performance and completion of the Scope of Work under the conditions of the Agreement / Contract including recovery of amounts due to the Operator from the Buyer arising out of this Contract under whatever head.

## 12.0 TITLE AND RISK

12.1 Title and risk in the Quantity of Crude delivered hereunder shall pass from Operator to Buyer at the Delivery Point as determined by Article 4.

12.2 The Operator shall be responsible for taking and maintaining Product, Third Party and Comprehensive Insurance covering risks / hazards **prior to the Delivery Point**. The Buyer shall be responsible for taking and maintaining the Product, Third Party and Comprehensive Insurance covering risks / hazards **after the Delivery Point**.

## 13.0 SCHEDULED OUTAGES

13.1 Buyer / Operator shall give the other party sufficient notice, in writing/email, before the Scheduled Outage. Both parties agree to coordinate for matching the outage period wherever feasible. Under normal circumstances, total period of Scheduled Outage shall not be more than 15 days in one year. However, all scheduled maintenance must be intimated in writing to Company two (2) weeks in advance

## 14.0 CHANGE IN LAWS, REGULATIONS, ORDERS

14.1 It is understood by both Parties that they are entering into the Contract in reliance on the Laws, Regulations and Orders in effect on the date hereof.

14.2 If at any time and from time to time during the currency of the Contract any Laws, Regulations and Orders are changed or new Laws, Regulations and Orders have become or are due to become effective and the material effect of such changed or new Laws, Regulations and Orders;

(a) is not covered by any other provisions of this Agreement, and/or



(b) has or will have a materially adverse economic effect on either party, the affected party shall have the option to require renegotiation of the Price or other relevant terms of the Agreement. The affected party may exercise such option at any time after such changed or new Laws, Regulations and Orders are promulgated by written notice to the other party, such notice to contain the terms desired by the affected party. If the Parties do not agree upon new Price or terms satisfactory to both Parties within 15 days after the date of the affected party's notice, the affected party shall have the right to terminate the Agreement after giving a notice of 30 days at the end of such 15-day period. Any Crude delivered during such 15-day period shall be sold and purchased at the existing Price and on the terms applying under the Agreement.

- 14.3 Notwithstanding anything contained in the Definition or in Clause 14.1 and 14.2 above, the term “Laws, Regulations and Orders” shall not include any laws, regulations, orders pertaining to direct, or indirect taxes for the purpose of this Clause 14. For clarification, it is agreed that any changes in laws, regulations and orders dealing in any manner with direct or indirect taxes shall be governed solely by Clause 10 above and that the provisions of Clause 14.2 shall have no application in such cases.

#### **15.0 AUTHORITY OF OPERATOR**

In all matters relating to this Contract, all acts, deeds, matters and things of whatever nature or kind required to be done, signed and/ or presented, as the case may be and all appointments required to be made shall be made as the case may be, shall be done signed presented and/or made by the Operator for and/or on behalf of the Sellers and all parties constituting the Sellers. Any such act deed matter or thing signed done or presented or any such appointment made shall be binding upon the persons/ companies constituting the Sellers and their successors and assigns in the same manner and to the same extent as if done by them individually with the intent that Buyer shall deal with the Operator as the sole authorized representative of the Sellers for the purposes of this agreement in line with Production Sharing Contract and Joint Operating Agreement of block CB-ONN-2010/11. This authority shall not be subject to revocation except by writing issued by all parties constituting the Sellers.

#### **16.0 INDEMNITY**

- 16.1 After the Delivery Point, the Buyer shall be deemed to be in exclusive possession and control of the crude and fully liable and responsible for its arrangements, appurtenances and properties. Accordingly, except in case of gross negligence and wilful misconduct of the Sellers, the Buyer covenants and agrees to fully protect, indemnify and hold the Sellers, its employees, agents and successors and assigns harmless against any and all claims, all liabilities, costs, expenses, damages or losses growing out of or resulting from or incidental to or in connection therewith which may be made or brought against the Sellers whether by the Buyer, its employees, agents or successors and assigns or by third parties on account of damages or injury to property or person or loss of life resulting from or arising out of possession and handling of crude supplied and further defend the Sellers at Buyer's sole expense in any litigation involving the Sellers. The successful bidder shall execute Indemnity Bond in the format provided by GAIL in stamp paper of appropriate value.
- 16.2 Likewise, before the Delivery Point the Operator shall be in control and exclusive possession of crude and shall be fully liable and responsible for its arrangements, appurtenances and properties except to the extent of any incident happening due to gross negligence and wilful misconduct of the Buyer.



16.3 Consequential Loss: Except for Operator's rights in the provisions of Article 5 and 9 of CSC, neither Party shall be liable to the other for any indirect or consequential loss or damage including any loss of revenue, loss of use, loss of profit or anticipated profits, loss of business opportunity or loss or damage of any other kind suffered by such Party or its group and each Party shall indemnify, defend and hold the other Party harmless in this regard.

#### **17.0 FORCE MAJEURE**

17.1 Shall mean and be limited to the following: a) War/hostilities b) Riot or Civil commotion c) Earthquake, flood, tempest, lightening or other natural physical disaster. d) Restrictions imposed by the Government or other Statutory bodies which prevents or delays the execution of the Contract by the Operator. In the event of Force Majeure, the affected Party shall provide notice promptly and in no case later than **48 hours** after the occurrence of event of Force Majeure, notify the other Party with respect to the ongoing Force Majeure event, giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons of its suspension and the affected Party's ability to recommence performance of its obligations under the Agreement as soon as possible. In the event of delay lasting over one month, if arising out of causes of Force Majeure, Operator reserves the right to cancel the Contract and the provisions governing termination stated under Article 18.0 shall apply.

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

17.3 In the event of Force Majeure, the Parties agree to use best efforts to remedy the event of and mitigate the effect of Force Majeure.

17.4 In the event of Force Majeure affecting the Buyer, the Operator reserves the right to sell the Crude to any other buyer during the ongoing Force Majeure Event affecting the Buyer. This shall in no way affect the surviving obligations of the Buyer including its responsibility of making best efforts to mitigate the effect of Force Majeure and commencing its obligations under the Contract at the earliest.

#### **18.0 TERMINATION**

18.1 Operator may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving 30 days' notice to Buyer, suspend deliveries of the Crude or upon giving 30 days' notice to Buyer terminate the Agreement if:

- (i) Period of Agreement has expired;
- (ii) Buyer for any reason whatsoever fails to make any payment due to Operator under the Agreement by the Due Date, and such failure remains un-remedied at the expiry of the aforesaid notice period;
- (iii) Buyer is in substantial breach of its material obligations under the Agreement and such breach or failure remains unremedied at the expiry of the aforesaid notice period;
- (iv) Buyer fails to take delivery of Crude it is obligated to offtake monthly minimum quantity as mentioned in Article 9.4e (excepting for Scheduled Outage or Force Majeure or approved by Operator) under this Agreement and such failures are not excused by any other provision in the Agreement;
- (v) Force Majeure continues for 60 days or more;



- (vi) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Buyer;
  - (vii) Buyer becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Operator's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
  - (viii) A receiver is appointed for the whole or significant part of the assets or undertaking of Buyer;
  - (ix) Buyer ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued out upon or against any significant part of the property of Buyer and is not discharged until 90 days;
  - (x) The Parties fail to agree to a new Price or terms satisfactory to both Parties in terms of Article 14.2;
  - (xi) If Buyer is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
  - (xii) Buyer has passed a resolution to apply to a competent court for liquidation.
  - (xiii) Production operations have been ceased.
  - (xiv) The Participating Interest in the Block is transferred to another Operator.
  - (xv) Sellers are directed by Government of India to discontinue with the sale.
  - (xvi) Operator decides to terminate the Contract for its own convenience and on any other ground not listed above.
- 18.2 Subject to any other specific rights of termination contained in this Agreement, this Agreement shall continue in force until terminated by not less than **one month** written notice given by the Operator ..
- 18.3 Any termination of the Agreement shall be without prejudice to the rights and obligations of either Party as accrued at the date of termination.
- 19.0 DISPUTE RESOLUTION**
- 19.1 The Buyer and the Operator shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the Contract.
- 19.2 If, after thirty days from the commencement of such informal negotiations, the Buyer and the Operator have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution
- 19.3 GAIL (India) Limited has framed the Conciliation Rules 2010 in conformity with supplementary to Part – III of the Indian Arbitration and Conciliation Act 1996 for speedier, cost effective and amicable settlement of disputes through conciliation. A copy of the said rules made available on GAIL's web site [www.gailonline.com](http://www.gailonline.com) for reference. Unless otherwise specified, the matters where decision of the Engineer-in-Charge is deemed to be final and binding as provided in the Contract and the issues/disputes which cannot be mutually resolved within a reasonable time, all disputes shall be settled in accordance with the Conciliation Rules 2010.
- 19.4 Any dispute(s)/difference(s)/issue(s) of any kind whatsoever between/amongst the Parties arising under/out of/in connection with this Contract shall be settled in accordance with the aforesaid rules.
- 19.5 In case of any dispute(s)/difference(s)/issue(s), a Party shall notify the other Party (ies) in writing about such a dispute(s) / difference(s) / issue(s) between / amongst the Parties and that such a Party wishes to refer the dispute(s)/ difference(s)/issue(s) to Conciliation. Such



Invitation for Conciliation shall contain sufficient information as to the dispute(s)/difference(s)/issue(s) to enable the other Party (ies) to be fully informed as to the nature of the dispute(s)/ difference(s) /issue(s), the amount of monetary claim, if any, and apparent cause(s) of action.

- 19.6 Conciliation proceedings commence when the other Party(ies) accept(s) the invitation to conciliate and confirmed in writing. If the other Party (ies) reject(s) the invitation, there will be no conciliation proceedings.
- 19.7 If the Party initiating conciliation does not receive a reply within thirty days from the date on which he/she sends the invitation, or within such other period of time as specified in the invitation, he/she may elect to treat this as a rejection of the invitation to conciliate. If he/she so elects, he/she shall inform the other Party(ies) accordingly.
- 19.8 Where Invitation for Conciliation has been furnished, the Parties shall attempt to settle such dispute(s) amicably under Part-III of the Indian Arbitration and Conciliation Act, 1996 and GAIL (India) Limited Conciliation Rules, 2010. It would be only after exhausting the option of Conciliation as an Alternate Dispute Resolution Mechanism that the Parties hereto shall go for Arbitration in terms of Article 20. For the purpose of this clause, the option of 'Conciliation' shall be deemed to have been exhausted, even in case of rejection of 'Conciliation' by any of the Parties.
- 19.9 The cost of Conciliation proceedings including but not limited to fees for Conciliator(s), Airfare, Local Transport, Accommodation, cost towards conference facility etc. shall be borne by the Parties in equal share.
- 19.10 The Parties shall freeze claim(s) of interest, if any, and shall not claim the same during the pendency of Conciliation proceedings. The Settlement Agreement, as and when reached/agreed upon, shall be signed between the Parties and Conciliation proceedings shall stand terminated on the date of the Settlement Agreement.

## **20.0 ARBITRATION**

- 20.1 If the issues/disputes which cannot be resolved through dispute resolution mechanism pursuant to Article 19, all disputes such shall be referred to arbitration by Sole Arbitrator. Operator shall suggest a panel of three independent and distinguished persons to the Buyer to select any one among them to act as the Sole Arbitrator. In the event of failure of the other parties to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and Operator shall have discretion to proceed with the appointment of the Sole Arbitrator. The decision of Operator on the appointment of the sole arbitrator shall be final and binding on the parties. The award of sole arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the sole arbitrator, the cost of arbitration proceedings shall be shared equally by the parties. The Arbitration proceedings shall be in English language and seat/venue shall be New Delhi, India. Subject to the above, the provisions of Indian Arbitration & Conciliation Act 1996 and the Rules and amendment thereof shall be applicable. All matter relating to this Contract are subject to the exclusive jurisdiction of the court situated in the state of Delhi.
- 20.2 Buyer may please note that the Arbitration & Conciliation Act 1996 was enacted by the Indian Parliament and is based on United Nations Commission on International Trade Law (UNCITRAL model law), which were prepared after extensive consultation with Arbitral Institutions and centers of International Commercial Arbitration. The United Nations



General Assembly vide resolution 31/98 adopted the UNCITRAL Arbitration rules on 15 December 1976.

- 20.3 The Bidder/Service Provider/Buyer understands and agrees that in such cases of banning, the decision of Employer shall be final and binding on such Bidder/Service Provider/Buyer and the Arbitration Clause mentioned in the Contract Documents shall not be applicable for any issue /dispute arising in the matter.
- 20.4 In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial Contract(s) between Central Public Sector Enterprises (CPSEs) inter se and also between CPSEs and Government Departments / Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE (GM) / FTS-1835 dated 22.05.2018.

## **21.0 JURISDICTION**

- 21.1 The Contract shall be governed by and constructed according to the laws in force in India. The Buyer hereby submits to the jurisdiction of the Courts situated at New Delhi/Delhi only for the purposes of disputes, actions and proceedings arising out of the Contract and it is agreed that the Courts at New Delhi/Delhi only will have the exclusive jurisdiction to hear and decide such disputes, actions and proceedings.

## **22.0 CONTINUANCE OF THE CONTRACT**

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

## **23.0 ENTIRE AGREEMENT, AMENDMENTS, WAIVER AND MISCELLANEOUS**

- 23.1 This Agreement supersedes and replaces any previous agreement or understanding between the Parties, whether oral or written, on the subject matter hereof, prior to the execution date of this Agreement.
- 23.2 This Agreement shall not be amended, modified, varied or supplemented in any respect except by an instrument in writing signed by all the Parties which shall state the date upon which the amendment or modification shall become effective.
- 23.3 No waiver by any Party of any one or more obligations or defaults by any other Party in the performance of this Agreement shall operate or be construed as a waiver of any other obligations or defaults whether of a like or of a different character.
- 23.4 Severability: If any portion of this Contract is determined to be illegal, invalid or unenforceable, for any reason, then, insofar as is practical and feasible, the remaining portions of this Contract shall be deemed to be in full force and effect as if such invalid, illegal or unenforceable portions were not contained herein.
- 23.5 Time is the essence of the Contract and it has to be strictly complied with by the Buyer.
- 23.6 Non-Exclusive Contract: This Contract is non- exclusive and Operator reserves the right to engage other Buyers to perform similar or identical work. Buyer shall afford such other



Buyer adequate opportunity to carry out their agreements and shall accomplish the Work in cooperation with those Contractors Buyers and with Operator.

- 23.7 The provisions of this Agreement shall come into use to the benefit of and be binding upon the Parties and their permitted assigns and successors in interest.
- 23.8 The headings of this Agreement are for convenience of reference only and shall not be taken into account in interpreting the terms of this Agreement.
- 23.9 Reference to any law or regulation having the force of law includes a reference to the law or regulation as from time to time may be amended, or re-enacted.
- 23.10 A reference in this Agreement to the word "including" shall also mean "including but not limited to".

**24.0 NOTICES**

24.1 All notices, statements and other communications to be given, submitted or made hereunder by any party to another shall be sufficiently given if given in writing in the English language and sent by registered post, postage paid or email, to the address or addresses of the other party or parties as follows:

(a) Shri  
M/s \_\_\_\_\_  
-----  
-----  
-----

(b) Mr. Jayadevan E.V, CM (E&P)  
GAIL (India) Limited  
E&P Department, 16th Floor,  
Jubilee Tower, B-35 &36,  
Sector-1, Noida-201301 (UP)  
Ph.: 0120-2446400 (Extn. 11631)  
Email: jayadevan@gail.co.in

24.2 Notices when given in terms hereof shall be effective when delivered if offered at the address of other parties during business hours on working days and if received outside business hours, on the next following working day.

24.3 Any party may, by reasonable notice as provided hereunder to the other parties, change its address and other particulars for notice purpose.

**25.0 ASSIGNMENT**

25.1 Neither Party shall assign any of its rights or transfer or subContract any of its obligations under this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld. In the event of an assignment in accordance with the terms of this Article, the assignor shall nevertheless remain responsible for the proper performance of the Agreement. Any assignment not made in accordance with the terms of this Article shall be void.



25.2 Operator reserve the right to assign Contract for sale of crude or otherwise of any block to any other block on the same rates terms and conditions. In addition, Operator reserve the right to carryout sale to more than one buyer under the one Contract.

## **26.0 INDEPENDENT CONTRACTOR**

26.1 Buyer shall perform the Services as an independent Contractor. Buyer is not and shall not become or represent itself as Co-venture, Affiliate, partner, employee or agent of Sellers. The Contract does not form any agency, partnership, joint ventures or joint relationship between the Parties. Subject to the compliance with the Contract, the Buyer shall be solely responsible for the manner in which Works are performed. All Buyer's Personnel, representatives or Sub Contractors engaged by the Buyer in performing the Contract shall be under the complete control of the Buyer and shall not in any event be deemed to be the employees of the Sellers. Nothing contained in the Contract, the Contracts between the Buyer and its Personnel, or any sub-Contract between the Buyer and its Sub-Contractors shall be construed to create any Contractual relationship between any such employees or representative or Sub-Contractor of the Buyer and the Sellers. Buyer shall be responsible and shall indemnify the Sellers for all acts, defaults, omissions or negligence of the Buyer, its Personnel, its Sub-Contractors and their respective agents, servants, employees, workmen, and representatives.

26.2 The Buyer shall be solely responsible for compliance with the Contract and the manner in which Works are performed. Buyer shall have no authority to engage or hire any person on behalf of Sellers, and any persons whom it may engage or hire shall be deemed to be solely the employees, agents or Sub-Contractors of the Buyer. All Contractual obligations and liabilities incurred by the Buyer in connection with the Work shall be in the name of Buyer as principal, unless otherwise provided herein. Operator is interested only in the results of Buyer's performance hereunder.

## **27.0 COMPLIANCE WITH APPLICABLE LAWS**

27.1 The Buyer shall observe and comply with all Applicable Laws, Operator's policies and procedures applicable to the Services from time to time, standing orders, International/Indian codes, including requirements relating to health, safety and environment. The Operator's Representative may require formal meetings from time to time with the Buyer, and the Buyer or its Administrator or other nominated deputy fully conversant with the health; safety and environment requirements shall attend such meetings.

27.2 Buyer represents and warrants that the Buyer as well as their Personnel have full knowledge of Applicable Law that may govern the performance of this Contract and they shall comply with the same during the Term of the Contract. The Buyer undertakes and agrees to indemnify the Sellers against all Claims in relation to or arising out of or as a consequence of non-compliance of Applicable Laws.

27.3 Buyer agrees to obtain, at its own expense, all authorizations, licenses and permits that may be required under Applicable Laws for the performance of Works.

## **28.0 CONFLICT OF INTEREST**

28.1 Buyer represents and warrants that it is not aware of any conflict of interest with respect to this Contract. Without limiting the foregoing, Buyer represents specifically, that neither Buyer nor Buyer Group / Buyer's Personnel have knowingly promised or conferred any financial benefits, of any kind whatsoever, to any employees of Sellers, Operator or such



employees' dependents in connection to the Buyer or Buyer Group or Buyer's Personnel in obtaining this Contract or performing its terms and conditions. Buyer shall use all reasonable efforts to prevent Buyer Group and Buyer's Personnel from engaging in activities known to be contrary or detrimental to the best interests of Sellers. Buyer shall exercise reasonable care and diligence to prevent any actions being taken or conditions from arising which could result in a conflict with Seller's best interest.

## 29.0 CONFIDENTIALITY

29.1 All information and other materials disclosed, furnished, communicated or supplied by the disclosing Party to the receiving Party, including the receiving Party's directors, officers, employees, Affiliates, or its expressly authorized representatives or agents are strictly confidential and shall not be divulged by receiving party to any third party excluding Legal Authorities/Statutory Authorities/ Court of Law during the Term of this Contract or thereafter for a period of five (5) years without disclosing Party's prior written consent.

29.2 For avoidance of doubt, "Confidential Information" shall be deemed to include all information including but not limited to any technical, commercial and financial information, improvement, inventions, know how, innovations, technology, trade secrets, professional secrets, copyrights and any other intellectual property, discoveries, ideas, concepts, papers, software in various stages of development, techniques, models, data, source code, object code, documentation, manuals, flow charts, research, process, procedures, functions, customer names and other information related to customers, price lists and pricing policies. However, the Parties hereto acknowledge that Confidential Information shall not include any information that:

- a) is now or subsequently becomes publicly known or available without breach of this Contract;
- b) was previously in the possession of the receiving Party without any obligation of confidentiality and which was not acquired from, provided, given, sold or otherwise disclosed (directly or indirectly) by the disclosing Party not through this Contract.
- c) is to be shared by GAIL with Consortium, to regulatory authorities, Government, Courts or other authorities required by law or in the course of legal proceedings.

29.3 The Buyer shall obtain written approval from Operator prior to making any publicity release or announcement regarding the Contract, the Works or Buyer's activities related to its participation in the Work or any other Confidential Information. If so requested by Operator, Buyer further agrees to require the Buyer's Personnel and their employees to **execute appropriate undertakings of confidentiality** similar to that imposed on the Buyer under this Clause, prior to performing any Work under this Contract. The Buyer shall hold the Confidential Information confidential and shall not divulge or disclose the Confidential Information, or make the Confidential Information available to any person or entity, other than its authorised representatives and ensure that only such authorized representatives who are expressly authorized by it to and whose duties require them to possess the Confidential Information shall have access to the Confidential Information on a need-to-know basis. Save as expressly provided hereunder, nothing contained herein shall be construed, implicitly or otherwise, as being the granting of a license to use the Confidential Information disclosed by the Sellers. The Buyer and Sub-Contractors shall use such measures and/or procedures as it uses in relation to its own confidential information and trade secrets to hold and keep in confidence any and all such Confidential Information and comply with the terms stated herein. In case of any breach of these terms or any act or omission by the Buyer, Buyer's Personnel or any of their authorized representatives, the Buyer shall indemnify and hold harmless the Sellers.



IN WITNESS WHEREOF, the parties hereto acting through their properly constituted representatives have set their hands to cause this AGREEMENT signed and execute in their respective names and on their behalf.

SIGNED & DELIVERED

For and on behalf of M/s \_\_\_\_\_

By \_\_\_\_\_

In the presence of

\_\_\_\_\_

SIGNED & DELIVERED

For and on behalf of GAIL (India) Ltd.

By \_\_\_\_\_

In the presence of

\_\_\_\_\_



# **SECTION- V**

## **SCOPE OF WORK (SOW)**



## 1.0 SCOPE OF WORK (SOW)

### 1.0 GENERAL

- 1.1 Block CB-ONN-2010/11 consortium has entered into a Joint Operating Agreement pursuant to which GAIL (India) Limited has been appointed as the Lead Operator of the Block and as the sole representative to execute the operation pursuant to the PSC.
- 1.2 GAIL (India) Limited and its coventurers Bharat PetroResources Limited. (BPRL) and Engineers India Ltd. (EIL) is producing crude oil from onshore block CB-ONN-2010/11, located in Galiyana village in Tarapur Taluk of Anand district, Gujarat.
- 1.3 The crude oil production from this block is slated at ~18 BOPD (barrels of oil per day) which may be ramped up at a future date. The Crude oil will be delivered at delivery point defined in clause 4.0 of SCC. **The Crude Oil API Gravity is ~39 degree and is sweet and waxy in nature.**
- 1.4 GAIL intends to invite prospective buyers (preferably end consumers) to participate in open tendering process to purchase the crude oil produced from the CB-ONN-2010/11 Block **for a period of one year.**

**This scope of work is a broad framework of the duties, obligations and works to be performed by each party. In case of any inconsistency, Scope of Work shall prevail.**

### 2.0 QUANTITY

- 2.1 The Operator shall make reasonable endeavours to deliver upto **Maximum of 540 barrels** of Crude per month (or any increased quantity as agreed between Bidder and Operator) without there being any guaranteed minimum sale quantity. Buyer shall lift the Crude after intimation of each crude custody transfer by the Operator in a way to ensure total lifting of monthly quantity of **Minimum 450 barrels**. The quantity referred above is crude oil produced from the block after removal of produced water, if any.

### 3.0 QUALITY

- 3.1 The crude oil for dispatch from Galiyana QPS will have indicative properties and Testing & measurement method as mentioned below. Before submission of the bids, the bidders are strongly encouraged to check and satisfy themselves (at their own risk and cost) the suitability/compatibility of crude oil for processing at their end. On bidders request, sample crude can be made available (only on day time) at Galiyana QPS before bid closing time. No representation on quality, suitability/compatibility of crude sold from Galiyana QPS shall be entertained after signing of Crude Oil Sale Contract.

**Galiyana Crude Oil Indicative Properties:** *(as determined by assay of Galiyana crude)*

Parameters	Unit	Galiyana Crude
API Gravity	°API	39.73
Density	15°C (kg/litre)	0.8264
Sulphur Wt %	Wt%	0.043
Viscosity	cSt at 50 Deg C	2.400
Total Acid Number	mgKOH/g	0.070
Wax content	Wt %	7.13
Ethane	Wt%	0.010
Propane	Wt%	0.250
Isobutane	Wt%	0.290
n-Butane	Wt%	0.830



Saturates	Wt%	77.91
Aromatics	Wt%	22.09

3.2 Based on the quality of Galiyana crude, the **Benchmark Crude shall be Bonny Light**. Operator will endeavor to deliver the quality specifications for the crude as would be mentioned in the Scope of Work at the time of delivery. Operator agrees to provide quality certificate (containing water content %, Density at 15 Deg Celsius and volume correction at Annexure-I to V) with each tanker. Standards / method for determining the water content of crude shall be as given in Annexure-I and 1A. The parties shall ensure that the Annexures are signed by their representatives and shall be treated as firm and final document for quality of crude.

#### 4.0 MEASUREMENT

##### 4.1 Testing and Measurement Standards

Measurement of Volume	Dip Tape / Dip Stick Method. <b>API Standard 2545</b>
Sampling	As per <b>ASTM D 4057</b>
Testing BS & W	IP-358 for determination of water content and IP =53 for Computation of average volume of sediments OR <b>ASTM D 96</b> .
Density	IP-160
Salinity	IP-77
Volume Reduction Factor	<b>ASTM Table 54-A</b> (Correction to 15°C)
Buoyancy Correction	IP-189 OR ASTM Table 56
Density Correction	<b>ASTM Table 53-A</b> (Correction to 15°C)

Measurement of crude shall be done through Dip Tape / Dip Stick method (API Standard 2545) as per customarily used in standard oilfield and petroleum industry practices.

#### 5.0 METHODOLOGY FOR DELIVERY/ TRANSFER OF CRUDE OIL AT DELIVERY POINT as follows

- a) As soon as the crude oil storage tank at QPS has sufficient volume for transfer, supply noticed will be issued through email to the Buyer.
- b) On the delivery day Storage Tank volume will be measured jointly by Operator & Buyer using dip tape/dip stick prior & after the transfer of crude to the Buyer's tanker and record measurement in **Annexure-I to Section-V**.
- c) Top Middle Bottom (TMB) samples of the Storage Tank content before loading and Buyer's Tanker compartments after loading will be taken jointly by Operator and Buyer for preparation of composite sample to determine water content and Density of crude oil, whichever necessary at Operator's Chemistry Lab at well site QPS as per procedure described in **Annexure-IA to Section-V**. Operator's and Buyer's representative shall witness the procedure and will jointly sign and certify the analysed crude oil sample as per **Annexure - II & III to Section-V**. Water content measurement from Buyer's tanker after loading shall be final and considered for invoicing. TPA carried out by Operator shall be borne by the Operator.



- d) After TMB sampling of Storage Tank, the Storage Tank will be handed over to Buyer for crude transfer in their calibrated tanker. Buyer has to ensure handover of the Storage Tank to the Operator within the same day.
- e) Buyer's Tanker volume (of all compartments) will be measured jointly by Operator & Buyer using dip tape/dip stick prior & after the loading and record measurement in **Annexure – IV/Challan to Section-V**. Volume filled in tanker will be accounted for calculating crude sale volume as per **Annexure-V to Section-V**.
- f) The volume of Net Crude will be determined by draining free water, if any, from loaded quantity of crude in the tanker. Thereafter volumetric measurements of the Net Crude at tank temperature(s) will be converted into volume at 15 deg. C as per ASTM Table 54-A.
- g) It is agreed that only volumetric measurement of quantities (Cubic Meter @ 15Deg C / Barrels at 60 Deg F) shall be considered for delivery. Quantity in barrels at 60 Deg F shall be estimated from quantity in cubic meters at 15 Deg C using a conversion factor of 6.29297.
- h) Based on the crude oil delivery in Buyer's designated Tanker, Operator will issue a crude delivery certificate to Buyer for each tanker as per pro-forma **Annexure-V to Section-V** mentioning the quality (Density at 15 Deg C and Volume correction factor) and quantity of crude oil delivered to Buyer at Delivery Point. The parties shall ensure that the Annexures are signed by their representatives and shall be treated as firm and final document for quality and quantity of crude and invoicing.
- i) In the case crude is in congealed state, first crude temperature will be measured at the time of lifting and either Crude volume may be measured as per dip measurement or its weight may be measured & get converted into volume (Volume=Mass/Density). Then, the volume of Net Crude will be determined as per methodology mentioned in Clause no: 5 e & f.

## 6.0 GAIL REPRESENTATIVE FOR INSPECTING THE WORK

- 6.1 GAIL shall be entitled to designate a representative or representatives who shall at all the time have complete access for the purpose of observing or inspecting the operational work related to sale & processing of crude performed by the Buyer. Such representative or representatives shall be empowered to act for GAIL in all matters relating to Buyer's performance herein undertaken by the Buyer.
- 6.2 The Buyer, further, shall have to agree at all times to co-operate with and extend assistance to employees of GAIL or to the employees of any other Buyer engaged by GAIL for the performance of any other function.

## 7.0 OTHER OBLIGATION TO BUYER

- a) The Buyer may note that the crude is available on "fall back basis". Crude availability solely depends upon production from wells with **no minimum supply** quantity obligations in any duration.
- b) Buyer should follow tank-filling procedure as per GAIL's Standard Operating Procedure SoP & follow all plant safety instruction.



- c) GAIL reserves the right to refuse deployment of any tanker, in the absence of the required documents in the vehicle or the invalid documents.
- d) Buyer agrees to be fully responsible for handling, transportation, storage etc. of the crude once it is delivered to the Buyer. Buyer shall obtain any clearances, certificate if required under laws, for handling, transportation & storage of crude from GAIL's premises, to Buyer's premises for storage and for end use.
- e) Buyer should also follow physical specification & deployment of tanker inside the plant as per below mentioned specifications.
- f) Buyer will use the crude at its own plant/refinery as an end user. Buyer is not allowed to resale the crude to other Buyers in any case. Declaration in this regard need to be submitted by Buyer prior to first lifting.
- g) Buyer shall submit to Operator the “End Use Certificate” at the end of every quarter.

**8.0 TECHNICAL/ PHYSICAL SPECIFICATIONS OF TANKERS**

8.1 Top loading Tank Trucks with valid calibration certificate by weight & weight measures along with all necessary statutory approvals will only be allowed to fill crude at loading point. Crude will be supplied only during day time from 8:00 hrs to 17:00 hrs in all days of a week. Buyer shall send Tanker with suitable capacity as per quantity mentioned in Supply Notice. Buyer shall authorise their personnel handling the Tanker to take delivery from Galiyana QPS and also to sign required documents for despatch on behalf of the Buyer. Buyer shall also provide their Tanker personnel with copy of Supply Notice which will be required for entry of tanker at Galiyana QPS premises.

8.2 Buyer may appoint their representative at Operator’s plant location for certification of quantity & quality.

**8.3 Required Technical/ Physical Specifications of Tanker**

The Tanker(s) must be fit for purpose and confirm the following required technical Specifications.

Tanker capacity	:	5/12/20/24 KL (equivalent m <sup>3</sup> )
No. of compartments	:	2 compartments for 5 KL tanker and minimum three (3) compartments for higher capacity tankers
Compartment In-Let	:	Compartments with individual In-Lets
Compartment Out-Let	:	The Out-Lets of the compartments Attached to the Main Out-Let for Delivery
Locking mechanism	:	The Abloy locking provision should be available for the tanker and Buyer will provide the locks. Key shall be brought at the time of lifting/loading

**8.4 Documentary Validity:**

The following document of tanker(s), to be used by Buyer(s) for transportation of Crude from Delivery Point to Unloading Point, must be valid:

- a) ‘Registration certificate’ from Road Transport Authority
- b) Fitness Certificate & Road Tax Receipt.
- c) Permit from RTA



- d) Insurance (including unlimited cover of Public/Third party Personnel and property) from any national Insurance Company for product and vehicle.
- e) 'License' from Department of Explosives to transport of 'A' class petroleum products.
- f) Valid 'Calibration Certificate' from Department of Legal Metrology (formerly known as Weights & Measures department), confirming the tankers capacity and Weights & Measures seals for each compartment.
- g) Any other statutory document/certificate/requirement under Motor Vehicles Act, 1988 or any other Act in force to operate Crude tankers in the state of Gujarat for transportation of petroleum products.
- h) License for the driver (Heavy vehicle) for transporting of Crude in tanker.

#### 8.5 Physical Condition of the Tanker(s)

The tanker(s) must confirm to the following at the time of reporting for loading of Crude:

- a) All chamber manhole seals, provided by Weights & Measures department, must be available and intact.
- b) Hinge bolts of all chamber covers must be properly welded.
- c) Valves of all chamber outlets must be intact and there should not be any leakage from these valves.
- d) No roof level difference must exist in the tanker(s).
- e) The tanker(s) must be in good and road worthy condition.
- f) Manifold caps should have provision to seal.
- g) Tanker(s) should have common manifold for unloading.
- h) Tanker(s) should have ear thing clamps for unloading
- i) Tanker(s) should have unloading hoses with the following specifications:  
Rubber braided, non-corrugated hose with couplings at both ends (threaded swivel couplings), Hose size: 3", Hose length- 3-5 Mts (Standard).
- j) The Buyer shall keep all his tankers clean and free from sediment of extraneous matters at the time of loading.
- k) The tanker must be free from any leakage. All compartment in-lets and out-lets including delivery pipe of tanker must be airtight to avoid leakage while in movement.
- l) The tanker should have equipped with fighter pump of ample capacity.

#### 8.6 Safety Requirements

The following safety measures must be provided with each Road tanker(s):

- a) 10 kg DCP Fire Extinguishers- 03 No.
- b) Additionally, 1 kg DCP fire extinguisher in driver's cabin – 1 no.
- c) Spark Arresters/ Fire Arresters fitted at the Silencer/Exhaust pipe of the Crude Tanker.
- d) The exhaust should be wholly in front of the tank and should have ample clearance from fuel system and combustible materials.
- e) The Engine air intake should be fitted with an effective flame arrester, or an air cleaner having effective flame arrester.
- f) The cab of vehicle should be of all metal construction and its rear window, if provided, should be fully covered with wired glass.
- g) Electrical fittings of the Crude Tanker should be adequately sealed and earthed to prevent open spark. Isolation switch should be provided to isolate the Battery fully from electrical system before loading and unloading.
- h) The pressure of the electric circuit should not exceed 24 volts.

#### 8.7 The Tanker shall be equipped with the following requirements for its operation / use:

- a) Crew consists of one driver and one Khalasi / Helper on each working day.



- b) Good conditioned spare tyre, tools such as suitable Hydraulic Jack, Lever, Rod etc.
- c) Valid Documents such as Registration Certificate, Fitness Certificate, Explosive products transport license from PESO, Calibration certificates, Goods Permit, Comprehensive Insurance Certificate with taxes paid up to date and other statutory documents applicable.

#### 8.8 Other obligations of Buyer:

- a) The Buyer shall be fully conversant with the laws applicable to the work under the Contract including Motor Transport Worker's Act, 1961, Motor Vehicle Act, State Motor Vehicles Rules, Railway Rules, Port Trust Rules, Octroi formalities etc. to ensure that the work under the Contract is carried out smoothly and efficiently.
- b) The Buyer shall acquaint himself with the site of crude availability, timing of crude loading, its approach roads etc. before submitting the bids. Submission of bid shall mean that Buyer has fully studied and acquainted himself with site conditions and Bid conditions. Further, the Buyer shall be exclusively responsible for obtaining necessary approvals from State and Central Government Authority, if any, for the purposes of evacuation of crude. List of Statutory License / Documents to be submitted by Buyer is as per **Annexure-VI to Section-V**.
- c) Buyer is required to furnish details before the deployment - No. of tankers to be deployed, capacity of tanker, tanker registration number and transporters' name (if applicable). This information is required to be submitted on Buyer's letterhead before start of Lifting of crude oil. Only such tankers will be given access to the Operator's site. Buyer has to provide contact details of the co-ordinator specifically appointed for this operation.

#### 9.0 GENERAL GUIDELINES / TERMS OF OPERATIONS

- a) GAIL shall provide parking space at the time of day's working. Parking of Tanker at the designated operational base/ worksite after day's working shall be the Buyer's responsibility.
- b) The Buyer shall deploy adequate number of persons for execution of the work undertake on Contract regulating their working hours and weekly off within the Statutory limits. The Buyer shall be responsible for payment of overtime wages to his workmen if any, in case they are required to work beyond the prescribed hours under Law.
- c) If any loss or damage or accident occur by the Buyer inside GAIL premises due to any reasons then the Buyer shall be solely responsible of such damage. The maintenance of such loss or damage will be recovered from the BG submitted by the Buyer, besides imposing penalty as decided by the GAIL.
- d) The Buyer's crew shall display their Identity Cards at the GAIL premises / duty places. The Buyer and his crew shall pledge secrecy and non-divulgence of the nature of work of the GAIL that may prejudice the GAIL's interest.
- e) Buyer's Insurance: Buyer shall secure and pay for and maintain in effect during the term of this Contract the following Insurance coverage for its employees
  - Public Liability Act Policy/ Third party liability
  - Workman compensation Act policy
  - Group personnel accident policy
  - Group medi-claim policy



## 10.0 SAFETY & SPECIAL CONDITIONS

- a) The Buyer shall comply with permit system, safety & security rules and regulations and other rules, laid down by GAIL at Work Site. It shall be the duty / responsibility of the Buyer to ensure the compliance of fire, safety, security and other operational rules and regulations by his workers/ Drivers etc.
- b) Buyer must ensure that persons being deputed under the Contract have been verified for their antecedents by the Police authorities.
- c) The Buyer's crew shall display their Identity Cards at the GAIL premises / duty places. The Buyer and his crew shall pledge secrecy and non-divulgence of the nature of work of the GAIL that may prejudice the GAIL's interest.
- d) Before deploying the said personnel, Buyer will furnish complete bio-data including License for the driver (Heavy vehicle) for transporting of class 'A' petroleum product in tanker.
- e) The Buyer and his crew on the tanker shall ensure safe transportation of Crude, observing and exercising all safety precautions / cautions / rules / road signs etc. to avoid any incident / accident while in transit with Crude load. The Buyer shall be responsible for any leakage and / or slippage of Crude at the public place due to any tanker incident / accident and consequences thereof.
- f) The personnel to be deputed by the Buyer shall be medically fit to drive. A certificate to this effect shall be submitted before their deployment to GAIL site along with other details.
- g) Carrying/striking of matches, lighters, mobile phone inside the plant, smoking at loading/ unloading facilities strictly prohibited. Alcohol induced person will not be allowed to drive.

## 11.0 POLLUTION CONTROL RESPONSIBILITY

11.1 In the performance of any and all services and the works hereunder by the Buyer or his sub-Contractor, the Buyer shall accept full responsibility for compliance with all applicable laws and Government Orders, Rules and Regulations as amended/in force from time to time relating to pollution. Buyer and his Sub-Contractor shall also comply with additional provisions as may be notified to the Buyer by GAIL. Without in any way limiting the generality of the preceding sentences, it is specifically agreed that the Buyer shall comply with the followings:

- i. Solid waste, such as tins, bottles, edible garbage, or any form of trash as classified under 'non-hazardous' category must be disposed of to appropriate locations in QPS Facility or at delivery point in appropriate manner/ or in accordance with applicable statutory laws/ GAIL policy.
- ii. All waste oil, greases or any chemicals as classified within 'hazardous' category shall be disposed of to appropriate locations in QPS Facility or at delivery point in appropriate manner/ or in accordance with applicable statutory laws/ GAIL policy.
- iii. The Buyer agrees to inform GAIL of such laws, orders & regulations and to make all his employees and the sub-Contractor fully cognizant of their responsibilities there under. GAIL's representative may discuss interpretations and applications of the laws, orders and regulations referred above with the Buyer's representative but such discussions shall not in any way relieve the Buyer of his responsibility hereunder.

11.2 In addition and without in any way limiting, restricting whether arising under any other provisions of this Contract or under any rule of law, the Buyer shall clean up and remove any pollution resulting from its non-compliance with the provisions of this section, at his cost and expense, and if the Buyer fail to do so, GAIL may clean up and remove the pollution in which case the Buyer shall reimburse GAIL the cost of such clean up and removal upon receipt of bill thereof.



**12.0 FACILITIES TO BE PROVIDED BY GAIL**

12.1 Data/ details/ drawings of the facilities, as available related to crude metering at loading gantry will be provided by GAIL, if applicable.

**13.0 RESPONSIBILITY MATRIX**

S. No.	Description	GAIL	Buyer
<b>Delivery of crude at Operator's plant Location (QPS Facility)</b>			
1	Issue of necessary work permits for carrying out the job	√	
2	Issue of Gate pass / permits to facilitate easy movement of Buyer's personnel, his tools / tackles as & when required to be used	√	
3	Availability of measurement facility	√	√
4	Data/ Details/ Drawings of loading & Unloading facilities.	√	
5	Handling & Transportation of crude outside Operator's location		√
6	Safety & security rules & regulation and Compliance of all applicable statutory laws	√	√
7	Supply of tools and tackles required for dispatch of crude from QPS Facility		√
8	Documentation & Records as per SOW (Article 8.4)		√



**ANNEXURE-I to SECTION-V  
Table – A (Initial Tank Volume)**

<b>DELIVERY NO</b>			<b>DATE:</b>	Day	Month	2026
<b>LOCATION</b>	GALIYANA QPS					
<b>PRODUCT</b>	CRUDE OIL					
<b>HANDING OVER TO BUYER</b>						
<b>Tank No:</b>						
DIP LEVEL (Before Transfer)		CM				
TANK VOLUME (Before Transfer)		M <sup>3</sup>				
TANK TEMP		°C				
TIME		Hrs				
FOR GAIL REPRESENTATIVE REPRESENTATIVE Sign with Name & Designation			FOR BUYER  Sign with Name & Designation			

**Table – B (Final Tank Volume after Dispatch)**

			<b>DATE:</b>	Day	Month	2026
<b>TAKING OVER BY GAIL AFTER DISPATCH</b>						
<b>Tank No:</b>						
DIP LEVEL (After Transfer)		CM				
TANK VOLUME (After Transfer)		M <sup>3</sup>				
TANK TEMP		°C				
TIME		Hrs				
FOR GAIL REPRESENTATIVE REPRESENTATIVE Sign with Name & Designation			FOR BUYER  Sign with Name & Designation			



### ANNEXURE-IA to SECTION-V

Determination of water content in crude oil/emulsion by IP 74 Dean & Stark extraction method as per below procedure:

- 1) Measure 50 ml of sample in the distillation flask and subsequently add 100 ml of carrier liquid (mostly xylene) to the flask
- 2) Assemble the apparatus and choose the receiver's scale according to the expected water content of the sample.
- 3) Heat the flask and regulate the heating so that condensate falls from the end of the condenser at the rate of 2-5 drops per sec
- 4) Continue heating the sample until the volume of water in the receiver remains constant for 5 min.
- 5) Wash down with carrier liquid (Acetone) for any water adhering to the condenser tube and if require dislodge the droplets through fine wire.
- 6) Record the vol of water from the receiver.
- 7) Report the result as the water content, IP 74

Water percentage = (vol. Of water / total vol of sample) X 100

- Time duration per testing job: 30-45 minutes approx.



**ANNEXURE-II to SECTION-V  
SAMPLE OF CRUDE OIL COLLECTED FROM CB-ONN-2010/11 BLOCK**

<b>Delivery No</b>				<b>Date</b>	<b>Day</b>	<b>Month</b>	<b>2026</b>
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**PARTICULARS**

<b>SL No</b>							
1	<b>LOCATION</b>	GALIYANA QPS					
2	<b>SOURCE OF SAMPLE</b>						
3	<b>TIME AND DATE OF SAMPLING</b>	<b>Hrs</b>	<b>Date</b>	<b>Day</b>	<b>Month</b>	<b>2026</b>	
4	<b>NATURE OF SAMPLE TAKEN</b>	TMB					

<b>Water cut analysis and API Gravity</b>	<b>Tank No:</b>	<b>W/C</b>	<b>API</b>
	OHT-		
	OHT-		

		<b>COLLECTED BY</b>	<b>WITNESSED BY</b>	
		<b>Operator's Authorised Representative</b>	<b>Buyer's Authorised Representative</b>	<b>GAIL Authorised Representative</b>
1	<b>Name</b>			
2	<b>Designation</b>			
3	<b>Signature</b>			



**ANNEXURE III to SECTION-V  
JOINT ANALYSIS REPORT OF TMB SAMPLE  
CRUDE OIL OF GAIL from CB-ONN-2010/11 Block**

<b>Delivery No</b>				DATE	Day	Month	2026
--------------------	--	--	--	------	-----	-------	------

**PARTICULARS**

SL No							
1	LOCATION	GALIYANA QPS					
2	SOURCE OF SAMPLE						
3	TIME AND DATE OF SAMPLING		Hrs	Date	Day	Month	2026
4	NATURE OF SAMPLE TAKEN	TMB					

<b>Water</b> (% v/v); IP 74 Dean & Stark extraction method		

**Analysis carried out by Chemist**

**Name:**

**Signature:**

**SAMPLE COLLECTION**

		COLLECTED BY	WITNESSED BY	
		Operator's Authorised Representative	Buyer's Authorised Representative	GAIL Authorised Representative
1	Name			
2	Designation			
3	Signature			



**ANNEXURE IV to SECTION-V**

- Record of dip & volume in Road tanker before and after crude loading as per Tanker Challan /Log book:

Format includes:

**Table – A (Initial Tanker Volume)**

	<b>DATE:</b> _____
LOCATION : GALIYANA QPS	
PRODUCT : Crude Oil of GALIYANA Field (CB-ONN-2010/11 Block)	
TANKER No : _____	
Capacity of Tanker : _____ KL	
TYPE OF DIP : <b>Initial DIP Before Loading</b>	
INITIAL TANKER VOLUME (Before Loading - $V_i$ ): _____ M3	
TANK TEMP : _____ ° C (At the time of crude loading in tanker)	
TIME : _____ Hrs	

\* Compartment wise DIP Level and Volume before loading is mentioned in attached convey note

**Table – B (Final Tanker Volume)**

	<b>DATE:</b> _____
TYPE OF DIP : <b>Final DIP After Loading</b>	
FINAL TANKER VOLUME (After Loading - $V_f$ ): _____ M3	
TIME : _____ Hrs	

\* Compartment wise DIP Level and Volume after loading is mentioned in attached convey note

**Table – C (Gross Volume Dispatch to the Buyer’s Tanker)**

<b>Gross Volume Transferred /loaded in Buyer tanker (M<sup>3</sup>)</b>	$V_f - V_i =$
---------------------------------------------------------------------------------	---------------

FOR GAIL REPRESENTATIVE  
Name & Designation

FOR BUYER REPRESENTATIVE  
Name & Designation



**ANNEXURE V to SECTION-V  
Crude Oil Dispatch Certificate**

NAME OF THE PSC OPERATOR		GAIL (INDIA) LTD	
NAME OF THE FIELD		Block CB-ONN-2010/11	
PERIOD			
LOCATION		GALIYANA QPS	
Delivery DATE :			
Delivery NO :			
<b>SN</b>	<b>DETAILS OF CRUDE OIL</b>		
A	TANK TEMP, °C (Annexure IV/Tanker Challan )		
B1	DENSITY AT 15° C		
B2	API GRAVITY		
C	VOLUME LOADED IN TANKER/s (M <sup>3</sup> ) (Annexure IV/Tanker Challan )		
D	VOLUME CORRECTION FACTOR (ASTM Table )		
E	NET CRUDE VOLUME (M <sup>3</sup> ) AT 15° C (C * D)		
F	NET CRUDE IN BARRELS (E * 6.29297)		
TOTAL NET BARRELS OF CRUDE OIL SUPPLIED			
<b>* Net crude quantity rounded up to three (03) decimal places.</b>			
Certified by			
		Operator Representative	Buyer Representative
1	Name		
2	Designation		
3	Signature		



**ANNEXURE VI to SECTION-V**

List of Statutory License / Documents to be submitted by Buyer-

<b>Sr. No.</b>	<b>Name of License</b>	<b>Issuing Authority</b>	<b>Valid Till</b>
1	PAN No. / GST No.		
2	Incorporation		
3	VAT		
4	Central Excise - Manufacturing		
5	Central Excise - Dealer		
6	Service Tax		
7	Explosives License for Storage		
8	License to work a factory		
9	Consent & Hazardous Waste Authorization Order		
10	Reg. Certificate-Cum-Pass book for Re-Refining/Re-Cycling of Hazardous Waste		
11	Provident Fund		
12	Professional Tax		
13	HT Power Supply		
14	Fire NOC		
15	Solvent License		
16	SKO License		
17	Naphtha License		
18	Consent for Operation		
19	Approval from Factories Dept.		
20	Kerosene License		



# **SECTION- VI**

# **FORMS & FORMAT**



**BIDDER'S GENERAL INFORMATION**

**Format F-1**

To,  
M/s GAIL (INDIA) LIMITED

TENDER NO:

1	Bidder Name	
2	Status of Firm	Proprietorship Firm/Partnership firm/ Limited Liability Partnership (LLP) firm/Public Limited/ Pvt. Limited/ Govt. Dept. / PSU/ Others If Others Specify: _____ [Enclose relevant certificates / partnership deed/certificate of Registration, as applicable]
3a	Name of Proprietor/Partners/Directors of the firm/company	
3b	Name of Power of Attorney holders of bidder	
4	Number of Years in Operation	
5	Address of Registered Office: *In case of Partnership firm, provide current address of the firm for ordering purpose	City: District: State: PIN/ZIP:
6	Bidder's address where Contract is to be placed	City: District: State: PIN/ZIP:
7	Telephone Number/ Mobile no. of address where order is to be placed	(Country Code) (Area Code) (Telephone No.)
8	E-mail address	
9	Website	
10	Mobile Number:	_____
11	ISO Certification, if any	{If yes, please furnish details}
12	PAN No.	
13	GST No.	

Note: \* GAIL intent to place the Contract directly on the address from where Services are rendered. In case, bidder wants Contract at some other address or Services are to rendered from multiple locations, bidder is required to provide in their bid, the address on which Contract is to be placed.

Place: \_\_\_\_\_ [Signature of Authorized Signatory of Bidder]  
Date: \_\_\_\_\_ Name:  
Designation:  
Seal:



**Format F-2**

**PROFORMA OF "BANK GUARANTEE" UNCONDITIONAL**

*[on stamp paper of appropriate value]*

**IRREVOCABLE, UNCONDITIONAL GUARANTEE**

**Beneficiary:**

**GAIL (India) Ltd.  
16 Bhikaji Cama Place,  
R K Puram, New Delhi - 110066**

**DATE:** [ ]

**Bank Guarantee**

**No.:** [ ]

**Guarantor:** [Bank]

**Advising Bank**

This Guarantee (“**Guarantee**”) is made from \_\_\_\_\_ by [**Bank**] (hereinafter referred to as the “**Guarantor**” which expression shall unless repugnant to the context or meaning thereof mean and include its permitted assigns and successors) in favour of GAIL (India) Ltd. (hereinafter referred to as “**Operator**”) a company whose registered office is at GAIL(INDIA) Limited GAIL Bhawan, 16 Bhikaji Cama Place, R K Puram, New Delhi - 110066 (which expression unless it is repugnant to the context or meaning thereof shall mean and include its successors, administrators, assigns and executors). M/s \_\_\_\_\_ (hereinafter referred to as “**Buyer**”), a company incorporated \_\_\_\_\_, [ ADDRESS] (which expression shall unless repugnant to the context or meaning thereof mean and include their permitted assigns and successors) have entered into a Crude Oil Sale Contract Agreement dated [ \_\_\_/\_\_\_/2026] (hereinafter “**CSC**”) with **Operator** for supply of Crude Oil from Galiyana field in Block CB-ONN-2010/11; and

Whereas in terms of **Article 11.6** of CSC, **Buyer** has agreed to furnish on demand, unconditional, irrevocable Guarantee for an amount of Rs. [**BG Value** ] during the term of the CSC.

Whereas this Guarantee is being furnished to guarantee the obligations under the Contract/CSC by **Buyer** of any payments due to **Operator** due under the CSC

**1. Guarantee**

Now therefore we, [**Bank**], do hereby on demand, unconditionally and irrevocably guarantee (without referring the matter to the **Buyer** and without getting prior consent of **Buyer** the payment due at all times throughout the period of the CSC on behalf of **Buyer**, of any amounts due and payable to **Operator** under the CSC upto a total of [**BG value**] and undertake to pay **Operator** without cavil or argument or delay, any unpaid amounts of any invoice raised by **Operator** on **Buyer** on receipt of demand letter from **Operator**.

The **Operator** may draw under this Guarantee by presentment to us of the demand by the **Operator** (hereinafter referred to as the “**Notice for Payment**”) drawn on us.

2. The demand letter specified in Clause 1 above shall be final, conclusive and binding on us.

**3. Undertaking to pay:**

- We [**BG Issuing Bank**] hereby irrevocably and unconditionally undertake to pay all amounts drawn upon this Guarantee in accordance with the terms of the CSC.
- We [**BG Issuing Bank**] agree that multiple and partial drawings under this Guarantee are permitted, subject to the limits of this Guarantee and the terms of the CSC.

4. We further agree as follows:

- Operator** shall be entitled to treat us as the primary obligor in respect of payments due and payable by **Buyer** under the CSC
- Operator** shall have fullest liberty without our consent and without affecting in any manner our obligations hereunder, to vary any of the terms and conditions of the CSC, to extend time for performance by **Buyer** from time to time or postpone for any time or from time to time any of the powers exercisable by **Operator** against **Buyer**.
- No change or addition to or other modification or alteration of the term of the CSC to be performed thereunder or of any of the CSC documents which may be executed between **Operator** and **Buyer** shall in any way release us from our liability under this Guarantee, and we hereby waive notice of any such change, addition or modification.
- Operator** shall be entitled to waive or forbear to enforce any of the terms and conditions relating to the CSC and we shall not be relieved from our liability by any reason or any variation, or extension being granted to **Buyer** or for waiver, act or omission on the part of **Operator** or any indulgence by **Operator**



to **Buyer** by any such matter or thing whatsoever which under the law relating to the sureties would but for this provision have effect of so relieving us subject to the CSC only.

- v) The **Operator** may further assign this Guarantee and all their rights and benefits under this Guarantee to its lenders or any other person and we hereby agree to acknowledge such assignment and agree that such assignee shall be entitled to exercise all rights and benefits due and owing to the **Operator** under this Guarantee.
- vi) We hereby waive any and all subrogation rights arising in terms of this Guarantee against **Buyer** until all payments due and owing to **Operator** under the CSC have been paid by **Buyer**
- vii) This Guarantee shall be valid for the period of Eighteen (18) Months i.e. upto [dd/mm/yy] for the term of CSC unless the CSC is terminated earlier.
- viii) The Guarantee shall not be affected by any legal limitation, disability or other circumstances relating to **Buyer** or the Guarantor or any appointment of receiver, liquidator, administrator of assets, insolvency, bankruptcy or winding up, amalgamation, re-organization or restructuring of **Buyer** or any pending legal proceedings or dispute between the parties.
- ix) Payments under this Guarantee to **Operator** shall be made in full without any set off or counter claim and free and clear of and without deduction or withholding any present or future taxes, duties any / or other charges and any amounts withheld shall be grossed up accordingly.

#### 5. Maximum Liability

Notwithstanding anything contained herein, our liability under this Guarantee shall not exceed [BG Value]

#### 6. Miscellaneous

All notices and demand shall be in English and in writing and shall be addressed to the Guarantor at the following address:

[Bank Address]

#### 7. Governing law and other miscellaneous provisions:

This Guarantee shall be governed by and constructed in accordance with the laws of India and courts in New Delhi shall have the exclusive jurisdiction.

IN WITNESS WHEREOF this guarantee has been executed by the Guarantor, this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_

For and on behalf of [BANK]

#### INSTRUCTIONS FOR FURNISHING

"CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT" BY "BANK GUARANTEE"

1. The Bank Guarantee by successful Bidder(s) will be given on non-judicial stamp paper as per 'stamp duty' applicable. The non-judicial stamp paper should be in name of the issuing bank.
2. A letter from the issuing bank of the requisite Bank Guarantee confirming that said Bank Guarantee and all future communication relating to the Bank Guarantee shall be forwarded to Employer.
3. If a Bank Guarantee is issued by a commercial bank, then a letter to Employer and copy to Consultant (if applicable) confirming its net worth is more than Rs. 100,00,00,000.00 [Rupees One Hundred Crores] or its equivalent in foreign currency alongwith documentary evidence OR in the Bank Guarantee itself.
4. Service Provider shall submit attached cover letter (Annexure) while submitting Contract Performance Security.

#### Note :

- 1) The formats for any of the Bank Guarantees shall not be changed except for any minor variations that the Bank may require. Failure to comply with this requirement may entail disqualification of the Tender.



**Format F-3**

**LETTER OF AUTHORITY**

[Pro forma for Letter of Authority for Attending 'Pre-Bid Meetings' / 'Un-priced Bid Opening' / 'Price Bid Opening']

Ref:

Date:

M/s GAIL (INDIA) LIMITED  
\_\_\_\_\_

SUB:

TENDER NO:

Dear Sir,

I/We, \_\_\_\_\_ hereby authorize the following representative(s) for attending any 'Meetings [Pre-Bid Meeting]', 'Un-priced Bid Opening', and 'Price Bid Opening' against the above Tender Documents:

[1] Name & Designation \_\_\_\_\_ Signature \_\_\_\_\_  
Phone/Cell: \_\_\_\_\_ E-mail: \_\_\_\_\_

[2] Name & Designation \_\_\_\_\_ Signature \_\_\_\_\_  
Phone/Cell: \_\_\_\_\_ E-mail: \_\_\_\_\_

We confirm that we shall be bound by all commitments made by aforementioned authorised representative(s).

Place: [Signature of Authorized Signatory of Bidder]  
Date: Name:  
Designation:  
Seal:

Note:

This "Letter of Authority" should be on the "letterhead" of the Bidder and should be signed by a person competent and having the 'Power of Attorney' to bind the Bidder. Not more than 'two [02] persons per Bidder' are permitted to attend 'Pre-Bid Meetings' / 'Un-priced Bid Opening' / 'Price Bid Opening'.

Bidder's authorized representative is required to carry a copy of this authority letter while attending the 'Pre-Bid Meetings' / 'Un-priced Bid Opening'.  
.



**Format F-4**

**AGREED TERMS & CONDITIONS**

To,  
M/s GAIL (INDIA) LIMITED

SUB:

TENDER NO:

This Questionnaire duly filled in, signed & stamped must form part of Bidder's Bid and should be returned along with Un-priced Bid. Clauses confirmed hereunder need not be repeated in the Bid.

Sl.	DESCRIPTION	BIDDER'S CONFIRMATION
1	Bidder's name, Vendor Code of GAIL (if any) and address (FOA/Order shall be released in this name)	Bidder's name : GAIL's Vendor Code: Address:
2.	Bidder confirms the currency of quoted prices is in Indian Rupees.	
3.	Bidder confirms quoted prices will remain firm and fixed till complete execution of the order	
4	Bidder confirms acceptance of relevant Terms of Payment specified in the Bid Document.	
5.	Bidder confirms that Bank Guarantee will be furnished as per Bid Document within 30 days of FOA in case of successful bidder.	
6.	Bidder confirms that Contract Performance Security/Bank Guarantee shall be from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve bank of India as scheduled foreign bank. However, in case of bank guarantees from banks other than the Nationalised Indian banks, the bank must be a commercial bank having net worth in excess of Rs 100 crores and a declaration to this effect shall be made by such commercial bank either in the Bank Guarantee itself or separately on its letterhead.	
7.	Bidder confirms compliance to Completion Schedule as specified in Bid document and the same shall be reckoned from the date of Fax of Acceptance.	
8.	Bidder confirms acceptance of all terms and conditions of Bid Document (all sections). Bidder confirms that printed terms and conditions of bidder are not applicable.	
9.	Bidder confirms their offer is valid for period specified in BDS from Final/Extended due date of opening of Techno-commercial Bids.	
10.	Bidder furnishes EMD/Bid Security details as under OR bid security declaration: EMD/ Bid Security No. & date Value Validity Bank Address/e-mail ID/Mobile no. [in case of BG]	
11.	Bidder confirms that (i) none of Directors (in Board of Director) of bidder is a relative of any Director (in Board of Director) of GAIL or (ii) the bidder is not a firm in which any Director (in Board of Director) of GAIL or their relative is a partner.	
12.	All correspondence must be in ENGLISH language only.	
13.	The contents of this Tender Document have not been modified or altered by Bidder. In case, it is found that the tender document has been modified / altered by the bidder, the bid submitted by them shall be liable for rejection.	



Sl.	DESCRIPTION	BIDDER'S CONFIRMATION
14.	Bidder confirms that all Bank charges associated with Bidder's Bank regarding release of payment etc. shall be borne by Bidder.	
15.	No Deviation Confirmation: It may be note that any 'deviation / exception' in any form may result in rejection of Bid. Therefore, Bidder confirms that they have not taken any 'exception / deviation' anywhere in the Bid. In case any 'deviation / exception' is mentioned or noticed, Bidder's Bid may be rejected.	
16.	If the Bidder becomes a successful Bidder pursuant to the provisions of the Tender Document, the following Confirmation shall be automatically become enforceable "We agree and acknowledge that the Employer is entering into the Contract/Agreement solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood & agreed that the Government of India is not a party to the Contract/Agreement and has no liabilities, obligations or rights thereunder. It is expressly understood and agreed that the Purchaser is authorized to enter into Contract/Agreement, solely on its own behalf under the applicable laws of India. We expressly agree, acknowledge and understand that the Purchaser is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Agreement. Accordingly, we hereby expressly waive, release and forego any and all actions or claims, including cross claims, VIP claims or counter claims against the Government of India arising out of the Agreement and covenants not to sue to Government of India as to any manner, claim, cause of action or things whatsoever arising of or under the Agreement."	
17.	Bidder to ensure all documents as per tender document.	
18.	Bidder understands that Tender Document is not exhaustive. In case any activity though specifically not covered in description of 'Schedule of Rates' but is required to complete the work as per Scope of Work, Conditions of Contract, or any other part of Bidding document, the quoted rates will deemed to be inclusive of cost incurred for such activities unless otherwise specifically excluded. Bidder confirms to perform for fulfilment of the Contract and completeness of the supplies in all respect within the scheduled time frame and quoted price.	
19.	Bidder hereby confirms that they are not on 'Holiday' by GAIL or Public Sector Project Management Consultant (like EIL, Mecon only due to "poor performance" or "corrupt and fraudulent practices") or banned by Government department/ Public Sector on due date of submission of bid. Further, Bidder confirms that neither they nor their allied agency/(ies) (as defined in the Procedure for Action in case of Corrupt/ Fraudulent/ Collusive/ Coercive Practices) are on banning list of GAIL or the Ministry of Petroleum and Natural Gas. Bidder also confirms that they are not under any liquidation, court receivership or similar proceedings or 'bankruptcy'. In case it comes to the notice of GAIL that the bidder has given wrong declaration in this regard, the same shall be dealt as 'fraudulent practices' and action shall be initiated as per the Procedure for action in case of Corrupt/Fraudulent/Collusive/Coercive Practices. Further, Bidder also confirms that in case there is any change in status of the declaration prior to award of Contract, the same will be promptly informed to GAIL by them.	
20.	Bidder certifies that they would adhere to the Fraud Prevention Policy of GAIL [available on GAIL's website (www.gailonline.com)] and shall not	



Sl.	DESCRIPTION	BIDDER'S CONFIRMATION
	indulge themselves or allow others (working in GAIL) to indulge in fraudulent activities and that they would immediately apprise GAIL of the fraud/suspected fraud as soon as it comes to their notice. Concealment of facts regarding their involvement in fraudulent activities in connection with the business transaction(s) of GAIL is liable to be treated as crime and dealt with by the procedures of GAIL as applicable from time to time.	
21.	Bidders confirm to submit signed copy of Integrity Pact (wherever included in tender). If Bidder is a partnership concern or a consortium, this agreement must be signed by all partners or consortium members.	
22.	Bidder confirms and undertakes that the oil from Galiyana QPS can be processed at their facility.	

Place:  
Date:

[Signature of Authorized Signatory of Bidder]  
Name:  
Designation:  
Seal:



**Format F-5**

**ACKNOWLEDGEMENT CUM CONSENT LETTER**

(On receipt of tender document/information regarding the tender, Bidder shall acknowledge the receipt and confirm his intention to bid or reason for non-participation against the enquiry /tender **through e-mail to concerned executive in GAIL issued the tender, by filling up the Format**)

M/s GAIL (INDIA) LIMITED  
\_\_\_\_\_

SUB:

TENDER NO:

Dear Sir,

We hereby acknowledge receipt of a complete set of bidding document along with enclosures for subject item/job and/or the information regarding the subject tender.

We intend to bid as requested for the subject item/job and furnish following details with respect to our quoting office:

Postal Address with Pin : .....  
Telephone Number : .....  
Contact Person : .....  
E-mail Address : .....  
Mobile No. : .....  
Date : .....  
  
Seal/Stamp : .....



**Format F-6**

**BIDDER'S EXPERIENCE**

M/s GAIL (INDIA) LIMITED

SUB:

TENDER NO:

Sl. No	Description of the Services	LOA /WO No. and date	Full Postal Address & phone nos. of Client. Name, designation and address of Engineer/ Officer-in-Charge (for cases other than purchase)	Value of Contract/ Order (Specify Currency Amount)	Date of Commencement of Services	Scheduled Completion Time (Months)	Date of Actual Completion	Reasons for delay in execution, if any
(1)	(2)	(3)	(5)	(6)	(7)	(8)	(9)	(10)

Place:

[Signature of Authorized Signatory of Bidder]

Date:

Name:

Designation:

Seal:



**Format F-7**

**BIDDER'S QUERIES FOR PRE BID MEETING**

Sub :

Tender No :

SL. NO.	REFERENCE OF BIDDING DOCUMENT				BIDDER'S QUERY	GAIL'S REPLY
	SEC. NO.	Page No.	Clause No.	Subject		

NOTE: The Pre-Bid Queries may be sent by e-mail before due date for receipt of Bidder's queries.

SIGNATURE OF BIDDER: \_\_\_\_\_

NAME OF BIDDER : \_\_\_\_\_



**Format F-8**

**DECLARATION FOR BID SECURITY**

M/s GAIL (INDIA) LIMITED  
\_\_\_\_\_

SUB:

TENDER NO:

Dear Sir

After examining / reviewing provisions of above referred tender documents (including all corrigendum/ Addenda), we M/s \_\_\_\_\_ (*Name of Bidder*) have submitted our offer/ bid no. ....

We, M/s \_\_\_\_\_ (*Name of Bidder*) hereby understand that, according to your conditions, we are submitting this Declaration for Bid Security.

We understand that we will be put on watch list/holiday/ banning list (as per polices of GAIL in this regard), if we are in breach of our obligation(s) as per following:

- a. have withdrawn/modified/amended, impairs or derogates from the tender, my/our Bid during the period of bid validity specified in the form of Bid; or
- b. having been notified of the acceptance of our Bid by the GAIL during the period of bid validity:
  - (i) fail or refuse to execute the Contract, if required, or
  - (ii) fail or refuse to furnish the Contract Performance Security, in accordance provisions of tender document.
- c. having indulged in corrupt/fraudulent /collusive/coercive practice as per procedure.

**Place:**

**Date:**

**[Signature of Authorized Signatory of Bidder]**

**Name:**

**Designation:**

**Seal:**



Format F-9

**FORMAT FOR CHARTERED ACCOUNTANT CERTIFICATE/ CERTIFIED PUBLIC ACCOUNTANT (CPA) FOR FINANCIAL CAPABILITY OF THE BIDDER**

We have verified the Audited Financial Statements and other relevant records of M/s ..... (Name of the bidder) and certify the following:

**A. AUDITED ANNUAL TURNOVER\* OF PRECEDING THREE FINANCIAL YEARS:**

Year	Amount (Currency)
Year 1:	
Year 2:	
Year 3:	

**B. NET WORTH\* AS PER AUDITED FINANCIAL STATEMENT OF PRECEDING FINANCIAL YEAR:**

Description	Year
	Amount (Currency)
1. Net Worth	

*\*Refer Instructions*

Notes:

- 1.0 It is further certified that the above-mentioned applicable figures are matching with the returns filed with Registrar of Companies (ROC) [Applicable only in case of Indian Companies]
- 2.0 We confirm that above figures are after referring instructions of Format F-9.
- 3.0 Practicing Chartered Accountants shall generate Unique Document Identification Number (UDIN) for all certificates issued by them

Name of Audit Firm:  
Chartered Accountant/CPA  
Date:

[Signature of Authorized Signatory]  
Name:  
Designation:  
Seal:  
Membership  
No.: UDIN:



**Instructions to Form F-9:**

1. The financial year would be the same as one normally followed by the bidder for its Annual Report.
2. The bidder shall provide the audited annual financial statements as required for this Tender document. Failure to do so would result in the Proposal being considered as non- responsive.
3. For the purpose of this Tender document:
  - (i) **Annual Turnover** shall be “Sale Value/ Operating Income”
  - (ii) **Net Worth** shall be Paid up share capital plus Free Reserves & Surplus less accumulated losses, deferred expenditure and miscellaneous expenditure not written off, if any.
4. **Above figures shall be calculated after considering the qualification, if any, made by the statutory auditor on the audited financial statements of the bidder including quantified financial implication.**
5. This certificate is to be submitted on the **LETTER HEAD of Chartered Accountant/CPA.**



**Form F-10 (A)**

**CHECK LIST**

Bidders are requested to duly fill in the checklist. This checklist gives only certain important items to facilitate the bidder to make sure that the necessary data/information as called for in the bid document has been submitted by them along with their offer. This, however, does not relieve the bidder of his responsibilities to make sure that his offer is otherwise complete in all respects.

Please ensure compliance and tick (√) against following points:

S. No.	DESCRIPTION	CHECK BOX	REFERENCE PAGE NO. OF THE BID SUBMITTED
1.0	Digitally Signed/Signing and Stamping on each sheet of offer, original bidding document including SCC, ITB, SCC, SOR drawings, corrigendum (if any)		
2.0	Confirm that the following details have been submitted in the Un-priced part of the bid		X
i	Covering Letter, Letter of Submission		
ii	EMD/Bid Security / Declaration for Bid Security[as applicable] as per provisions of Tender		
iii	Digitally signed or Signed & stamped tender document along with drawings and addendum (if any)		
iv	Power of Attorney in the name of person signing the bid.		
v	Confirm submission of document along with unpriced bid as per bid requirement (including cl.no.11.1.1 of Section-III).		X
3.0	Confirm that all format duly filled in are enclosed with the bid duly Digitally Signed/ Signed and Stamped by authorised person(s)		
4.0	Confirm that the Scheduled of Rates (SOR)/Price Bid as per SOR format has been submitted with Bidding Document/ uploaded/emailed in the concerned e-mail address given.		
5.0	Confirm that Certification from the auditor as per Foamat-F9 has been submitted along with BEC documents.		
6.0	Confirm AGREED TERMS & CONDITIONS as per Form-F4 has been submitted		

Place:  
Date:

[Signature of Authorized Signatory of Bidder]  
Name:  
Designation:  
Seal:



Form F-10 (B)

**CHECKLIST FOR BID EVALUATION CRITERIA (BEC) QUALIFYING DOCUMENTS**

**(refer Section II of Tender document)**

BEC Clause No.	Description	Documents required for qualification	Documents Submitted by Bidder	Documents attested as per Section-II of Tender	Reference Page No. of the Bid submitted
<b>Technical BEC</b>					
1.	<b>Experience</b>	(a) ..... (b) ..... (c) .....		Yes/No	
2.	<b>Any other technical criteria in BEC</b>	(a) ..... (b) ..... (c) .....		Yes/No	
<b>Financial BEC</b>					
1.	<b>Annual Turn Over</b>	Audited Financial Statements [including Auditor's Report, Balance sheet, Profit & Loss Accounts statements, Notes & schedules etc.] for last Audited Financial Year. [In case the Annual Turnover criteria is not met in last Audited Financial Year, then the Audited Financial Statements for previous two years of last Audited Financial Year is to be submitted]	Submitted <i>(Mention specific year.....)</i>	Yes/No	



2.	<b>Net Worth</b>	Audited Financial Statements [including Auditor's Report, Balance sheet, Profit & Loss Accounts statements, Notes & schedules etc.] for last Audited Financial Year.	Submitted (Mention specific year .....)	Yes/No	
3.	<b>Format for Details of financial capability of Bidder</b>	Bidder shall submit "Details of financial capability of Bidder" in prescribed format duly signed and stamped by a chartered accountant / Certified Public Accountant (CPA).	Submitted		
		<b>Documents as per Clause No. F) of BEC, if applicable</b>			
1.					
2.					
3.					

Place:

Date:

[Signature of Authorized Signatory of Bidder]

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Seal: \_\_\_\_\_

**INTEGRITY PACT**

**INTRODUCTION:**

GAIL as one of its endeavour to maintain and foster most ethical and corruption free business environment, have decided to adopt the Integrity Pact, a tool developed by the Transparency International, to ensure that all activities and transactions between the Company (GAIL) and its Counterparties (Bidders, Contractors, Vendors, Suppliers, Service Providers/Consultants etc.) are handled in a fair and transparent manner, completely free of corruption. Accordingly, an MOU on Integrity Pact has been signed on 23.07.2007 by GAIL with Transparency International India.

Considering the above, the details mentioned at attached Annexure-1 to INTEGRITY PACT are applicable as stated in Instruction to Bidders of Bid Document in addition to the existing stipulation regarding Corrupt and Fraudulent Practices.

The attached copy of the Integrity Pact at Annexure- 2 shall be included in the Bid submitted by the bidder (to be executed by the bidder). In case a bidder does not sign the Integrity Pact, his bid shall be liable for rejection.



## ANNEXURE-1 TO INTEGRITY PACT

**Bidder is required to sign the Integrity Pact with GAIL as per format & terms and conditions enclosed with tender. In case a bidder does not sign the Integrity Pact, his bid shall be liable for rejection.**

### **I. COMMITMENTS AND OBLIGATIONS OF THE “COUNTERPARTY”**

- a) The Counterparty, directly or indirectly (through agent, consultant, advisor, etc.), shall not pay any bribe/ influence or give undue/ unlawful benefit to anyone to gain undue advantage in dealing with GAIL.
- b) The Counterparty will not engage in collusion of any kind including price fixation etc. with other Counterparts.
- c) The counterparty will not pass GAIL’s confidential information to any third party unless specifically authorized by GAIL in writing.
- d) The Counterparties shall promote and observe best ethical practices within their respective organizations.
- e) The Counterparty shall inform the Independent External Monitor.
  - i) If it received any demand, directly or indirectly, for a bribe/ favour or any illegal gratification/ payment / benefit;
  - ii) If it comes to know of any unethical or illegal payment / benefit;
  - iii) If it makes any payment to any GAIL associate.
- f) The Counterparty shall not make any false or misleading allegations against GAIL or its associates.

### **II. VIOLATIONS & CONSEQUENCES:**

- a) If a Counterparty commits a violation of its Commitments and Obligations under the Integrity Pact Programme during bidding process, their entire Earnest Money Deposit/ Bid Security, would be forfeited and in addition, action shall be taken as per **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**
- b) In case of violation of the Integrity pact by Counterparty after award of the Contract, GAIL shall be entitled to terminate the Contract. Further, GAIL would forfeit the security deposits/ Contract Performance Bank Guarantee and in addition, action shall be taken as per **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**



**INDEPENDENT EXTERNAL MONITORS (IEMS)**

Presently the panel consisting of the following Independent External Monitors (IEMs) has been appointed by GAIL, in terms of Integrity Pact(IP) which forms part of GAIL Tenders / Contracts.

- i. Shri Deepak Kashyap, (email id : deepakkashyapnd02@gmail.com)
- ii. Shri Yogendra Tripathi (email id : yogendratipathi@yahoo.com )
- iii. Shri Amrit Lugun (email id : asha74lugun@gmail.com)

This panel is authorised to examine / consider all references made to it under this tender/ contract. "The bidder(s), in case of any dispute(s) / complaint(s) pertaining to this tender falling under provisions of Integrity Pact may raise the same either directly with the IEMs on the panel viz Shri Deepak Kashyap, Email : deepakkashyapnd02@gmail.com , Shri Yogendra Tripathi , Email id : yogendratipathi@yahoo.com & Shri Amrit Lugun , Email id : asha74lugun@gmail.com or with CC to them through their Nodal Officer- Sh. T Xalxo, GM (C&P)- Email txalxo@gail.co.in, GAIL ( India) Limited, GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066. On receipt of such complaints/representations, Nodal Officer shall coordinate with IEM Panel and GAIL authorities concerned for their disposal as per extant guidelines."



ANNEXURE-2

INTEGRITY PACT

(To be executed on plain paper)

Between GAIL (India) Limited, a Government of India Public Sector, (here-in-after referred to as “Principal”).

AND

\_\_\_\_\_ (here-in-after referred to as “The Bidder/ Contractor”).

(Principal and the Bidder / Contractor are here-in-after are referred to individually as “Party” or collectively as “Parties”).

PREAMBLE

The Principal intends to award under laid down organizational procedures, Contract/s for \_\_\_\_\_. The Principal values full compliance with all relevant laws of land rules, regulations, and economic use of resources and of fairness /transparency in its relations with its Bidder (s) and/or Contractor (s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) 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:-
  - i) 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 self or for a third person, any material or immaterial benefit which the person is not legally entitled to.
  - ii) The Principal will, during the tender process treat all Bidder(s) with equity and reasons. The Principal will in particular, before and during the tender process, provide to all Bidder (s) the same information and will not provide to any Bidder (s) confidential / additional information through which the Bidder (s) could obtain an advantage in relation to the tender process or the Contract execution.
  - iii) 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 Indian Penal Code (IPC)/ Prevention of Corruption Act (PC Act), or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officers and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder (s)/Contractor (s)

1. The Bidder (s) / Contractor (s) commits themselves to take all measures necessary to prevent corruption. The Bidder (s)/ Contractor (s) commits themselves to observe the following principles during participation in the tender process and during the Contract execution:



- i) The Bidder (s) / Contractor (s) 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 other benefit which he / she is not legally entitled to, in order to obtain in exchange any.
  - ii) advantage of any kind whatsoever during the tender process or during the execution of the Contract.
  - iii) The Bidder (s) / Contractor (s) 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 action to restrict competitiveness or to introduce cartelisation in the bidding process.
  - iv) The Bidder (s) / Contractor (s) will not commit any offence under the relevant IPC/PC Act; further, the Bidder (s) / Contractor (s) 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.
  - v) The Bidder (s)/ Contractor (s) of foreign origin shall disclose the name and address of the Agents/ representatives in India, if any. Similarly, the Bidder (s)/ Contractor (s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further, all the payments made to the Indian agent/ representative have to be in India Rupees only.
  - vi) The Bidder (s) / Contractor (s) will, when presenting their bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.
  - vii) Bidder(s) / Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
2. The Bidder(s)/ Contractor(s) shall not instigate third person 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 (s) / Contractor (s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder (s) / Contractor (s) from the tender process or take action as per provisions of **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**.

### **Section 4 – Compensation for Damages**

1. If the Principal has disqualified the Bidder (s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit / Bid Security.
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 equal to the Contract Value or the amount equivalent to Performance Bank Guarantee.



### **Section 5 – Previous transgression**

1. The Bidder declares that no previous transgression occurred in the last three years, with any other Company in any country conforming to the anti-corruption approach or with any 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 actions can be taken as per provisions of **“Procedure for action in case Corrupt /Fraudulent/ Collusive/Coercive Practices”**

### **Section 6 – Equal treatment to all Bidders / Contractors / Sub Contractors**

1. In case of sub-Contracting, the Principal Contractor shall take the responsibility of the adoption of IP by the sub-Contractor. It is to be ensured by him that all sub-Contractors also sign the IP.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
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 Bidder (s) / Contractor (s) / Sub-Contractor (s)**

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

### **Section 8 –Independent External Monitor / Monitors**

1. The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. 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/her functions neutrally and independently. The Monitor would have access to all documents/records pertaining to the Contract for which a complaint or issue is raised before them, as and when warranted. However, the documents/records/information having National Security implications and those documents which have been classified as Secret/Top Secret are not to be disclosed. It will be obligatory for him/ her to treat the information and documents of the Bidders/ Contractors as confidential. He/she reports to the C&MD, GAIL.
3. The Bidder (s)/ Contractor (s) 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/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-Contractors.
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/she will so inform the Management of the Principal and request the Management to discontinue or to take corrective action, 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 C&MD, GAIL within 30 days 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 C&MD, GAIL, a substantiated suspicion of an offence under relevant IPC/PC Act, and the C&MD, GAIL has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, then only in case of very serious issue having a specific, verifiable Vigilance angle, the matter should be reported directly to the Central Vigilance Commission.
8. The word 'Monitor' would include both singular and plural.
9. In case of any complaints referred under IP Program, the role of IEMs is advisory and would not be legally binding and it is restricted to resolving the issues raised by an intending bidder regarding any aspect of the tender which allegedly restricts competition or bias towards some bidder.
10. After award of Contract, the IEMs shall look into any issue relating to execution of Contract, if specifically raised before them. As an illustrative example, if a Contractor who has been awarded the Contract, during the execution of Contract, raises issue of delayed payment etc. before the IEMs, the same shall be examined by the panel of IEMs.

#### **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. Any violation to the same would entail disqualification of the bidders and exclusion from future business dealing.

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 the C&MD, GAIL.

#### **Section 10 – Miscellaneous provisions**

1. This agreement is subject to Indian Law. Place of performance and exclusive jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
2. Changes and supplements as well as termination notices, if any, need to be made in writing. Side agreements have not been made.
3. If the Contractor / Bidder is a Joint Venture or a partnership concern or a consortium, this agreement must be signed by all partners or consortium members.
4. Should one or several of the provisions of this agreement turn out to be invalid, the remainder of this agreement shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions in such a case.
5. Issues like warranty / guarantee, etc. shall be outside the purview of IEMs.
6. In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in Integrity Pact will prevail.



-----  
(For & on Behalf of Principal)  
(Office Seal)

-----  
(For & on Behalf of Bidder/Contractor)  
(Office Seal)

Place -----  
Date -----

Witness 1:  
(Name & Address)

.....  
.....  
.....

Witness 2:  
(Name & Address)

.....  
.....  
.....



**Format F-12**

**E-Banking Mandate Form**  
(To be issued on vendors letter head)

1. Vendor/customer Name:
2. Vendor/customer Code, if any:
3. Vendor /customer Address:
4. Vendor/customer e-mail id:
5. Particulars of bank account
  - a) Name of Bank
  - b) Name of branch
  - c) Branch code:
  - d) Address:
  - e) Telephone number:
  - f) Type of account (current/saving etc.)
  - g) Account Number:
  - h) RTGS IFSC code of the bank branch
  - i) NEFT IFSC code of the bank branch
  - j) 9-digit MICR code

I/We hereby authorize GAIL(India) Limited to release any amount due to me/us in the bank account as mentioned above. I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or lost because of incomplete or incorrect information, we would not hold the GAIL (India) Limited responsible.

(Signature of vendor/customer)

**BANK CERTIFICATE**

We certify that ----- has an Account no. ----- with us and we confirm that the details given above are correct as per our records.

Bank stamp

Date:

(Signature of authorized officer of bank)



# **SECTION –VII**

## **SCHEDULE OF RATE (SOR)**



**[SAMPLE PRICE BID EVALUATION FOR REFERENCE ONLY]**

Quote from SOR:-

Sl.No	A	B
	Minimum and Maximum expected Water Cut	Quoted Premium/Discount % above(+) / below(-) Benchmark Crude Price
1 .	Crude with 5.00% and less water cut	-5.00%
2 .	Crude with 15.00% water cut (Maximum quote allowed -36%)	-18.00%

Formula for derived Premium/Discount at any water cut:-

$$\text{Percentage Rate of any water cut\%} = \text{(Quoted \% for 5\% Water Cut)} + \frac{\text{(Quoted \% for 15\% water cut - Quoted \% for 5\% water cut)}}{\text{(15 \% - 5\%)}} \times \text{(Any Water Cut \% - 5\%)}$$

Sample Price bid evaluation: - [Operator will carry out Price bid evaluation based on the quote from SOR]

For crude with 5.00% and less water cut				-5.00%
For crude with 15.00% water cut (Maximum quote allowed -36%)				-18.00%
Water Cut %	Derived percentage rate	Slab average of derived % (For water cut 5%, 6 to 10% & 11 to 15%)	Weightage Factor (%)	Weighted Premium/Discount % (Slab average x weightage)
A	B	C	D	E = C x D
5.00%	-5.00%	-5.00%	90.00%	-4.50%
6.00%	-6.30%	-8.90%	5.00%	-0.45%
7.00%	-7.60%			
8.00%	-8.900%			
9.00%	-10.20%			
10.00%	-11.50%	-15.40%	5.00%	-0.77%
11.00%	-12.80%			
12.00%	-14.10%			
13.00%	-15.40%			
14.00%	-16.70%			
15.00%	-18.00%			
<b>Total Weighted Premium/Discount (+/-) (Total of E) (Maximum weighted discount (Floor Discount) allowed for Total of column 'E' is -15.40%. Bids above Floor Discount will not be considered further)</b>				<b>-5.72%</b>

Note: For billing purpose, for every 2.00% water cut above 15.00%, 2.00% discount would be applicable commencing from the discount for 15.00% water cut derived from the formula. Eg: For water cut more than 15.00% to 17.00% discount would be -20.00% (-18.00-2.00%). For water cut more than 17.00% to 19.00% discount would be -22.00% (-20.00-2.00%) and so on.



## SCHEDULE OF RATES (SOR)

### PREAMBLE TO PRICE SCHEDULE

1. The Bidder should have acquainted himself of the conditions prevailing at site.
2. The quantity shown in the bidding document is only approximate and may vary to any extent during Contract period as per provisions of Bidding Document.
3. The Bidder may familiarize themselves with the Income Tax Act 1961, the Companies Act, 2013, the Customs Act, 1962, the Foreign Exchange Management Act, 1999 and all other Applicable Laws. The Bidder undertakes and agrees that before submission of its price bid, all necessary factors including those brought out above, have been fully investigated and considered while submitting the price bid.

**Description:** Sale of crude oil as per specification indicated in the bidding document

Sl.No	A	B
	Minimum and Maximum expected Water Cut	Quoted Premium/Discount % above(+) / below(-) Benchmark Crude Oil Price
1 .	Crude with 5.00% and less water cut	
2 .	Crude with 15.00% water cut (Maximum discount allowed -36.00%)	

Note:

- a. The Bidder should quote Premium/Discount (+/-) % in **column (B)** only with maximum two decimals.
- b. The bidder shall quote for two slabs, i.e crude with 5% and less water cut and for crude with 15% water cut in **column (B)**.
- c. The maximum allowable discount for 15.00% case is fixed at **-36.00%**.
- d. The discount at any water cut would be derived as per the formula given below which will be used for billing/invoicing.

$$\text{Percentage Rate of any water cut\%} = \left( \frac{\text{Quoted \% for 5\% Water Cut} + (\text{Quoted \% for 15\% water cut} - \text{Quoted \% for 5\% water cut})}{(15\% - 5\%)} \right) \times (\text{Any Water Cut \%} - 5\%)$$

- e. Operator will carry out Price Bid evaluation. For Price Bid evaluation, three slab average of derived % from the formula, i.e. for 5%, 6-10% and 11-15% would be considered with 90%, 5% and 5% weightage respectively. Average of each slab (%) will be multiplied with the respective weightage factor % to arrive at Weighted Premium/Discount of each slab.
- f. The maximum floor discount (i.e. total of Weighted Discount [Floor Discount]) should not be more than **-15.40%** (Refer Page 103 for sample price bid evaluation).
- g. Bids comes above Floor Discount on price bid evaluation will not be considered further.
- h. The H1 shall be the bidder who offer Highest Premium/Lowest Discount % of the Total Weighted Premium/Discount.
- i. Bids having Overwriting in SOR, Modification in SOR format including its notes shall be summarily rejected.

Date: \_\_\_\_\_, Place \_\_\_\_\_

Seal & Signature of Authorised Signatory of Bidder