

Request for Proposal

Hiring of Audit Firm for IFEM Audit for FY 2024-25 & FY 2025-26
(Consultancy Services)

National

Single Stage-Two Envelope



June 19, 2026

*Oil and Gas Regulatory Authority (OGRA) (Finance Department), Senior Executive Director
Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.
Phone: +92-314-420-1589, Email: myaqub@ogra.org.pk*

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PROCUREMENT NOTICE

PROCUREMENT OF CONSULTANCY SERVICES

1. The **Oil and Gas Regulatory Authority (OGRA) (Finance Department)** has reserved Funds for the procurement planned for FY **2026-27**. The **Oil and Gas Regulatory Authority (OGRA) (Finance Department)** intends to apply part of the proceeds of this Fund to cover eligible payments under the contract for the consultancy services of **“Hiring of Audit Firm for IFEM Audit for FY 2024-25 & FY 2025-26”**
2. The **Oil and Gas Regulatory Authority (OGRA) (Finance Department)** invites RFP through **EPADS v2.0** from eligible Bidders registered on **EPADS v2.0** for provision of Consultancy Services.
3. **Single Stage-Two Envelope** Procedure of Principal Method of Procurement (i.e. Open Competitive Bidding) will be used by adopting **Least Cost Based Selection (LCBS)** Technique for the subject procurement, in line with the Public Procurement Rules, 2004 and any Regulations, and Instructions issued by the Authority (from time to time).
4. All proposals must be accompanied by a Bid Security described in Bid Security Section in Bidding Document in the form of **Pay Order** or Bid Securing Declaration on the prescribed format described.
5. E-Bidding documents, containing detailed terms & conditions, specifications and requirements etc. are available on **e-Pak Acquisition and Disposal System (EPADS)** at <https://vendors.epads.gov.pk/>.
6. The RFP, prepared in accordance with the instructions in the e-Bidding documents, must be submitted through **EPADS v2.0** on or before **Friday, July 10, 2026 10:30 AM**. Proposals will be opened on the same day at **Friday, July 10, 2026 11:00 AM**. Manual submission of RFPs shall not be entertained. Those consultants/Firm who have not yet registered on the new version of **EPADS v2.0**, may register themselves on <https://vendors.epads.gov.pk/>. A tutorial to explain the registration process is available at <https://www.youtube.com/watch?v=MNW6T38v7tc>

In terms of Rules 48 of Public Procurement Rules, 2004 Grievance Redressal Committee (GRC) is notified for the subject procurement and notification copy is available on the procuring agency's website and also available on **EPADS v2.0** as well as Authority's website at (www.ppra.org.pk).

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Instructions to Bidders

A. General Provisions

1. Introduction

1.1. The Procuring Agency named in the Data Sheet intends to select a consultant, in accordance with the method of selection specified in the Data Sheet. The eligible Consultants are invited to submit a proposal, as specified in the Data Sheet, for consulting services required for the assignment named in the Data Sheet.

1.2. The Consultants should familiarize themselves with the local conditions and take them into account in preparing their Proposals, including attending a pre-proposal conference if one is specified in the Data Sheet. Attending any such pre-proposal conference is optional and is at the Consultants' expense.

1.3. The Procuring Agency will timely provide, at no cost to the Consultants, the inputs, relevant project data, and reports required for the preparation of the Consultant's Proposal as specified in the Data Sheet.

2. Corrupt and Fraudulent Practices

2.1. The procuring agencies and the consultant are required to compliance Procurement Regulatory Framework in regard to corrupt and fraudulent practices as defined under Rule 2(1)(f) of the Public Procurement Rules.

B. Preparation of Proposals

3. General Considerations

3.1. In preparing the Proposal, the Consultant is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.

4. Language

5. The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Consultant and the Procuring Agency, shall

be written in the language(s) specified in the Data Sheet.

Documents Comprising the Proposal

5.1. The Proposal shall comprise the documents and forms listed in the Data Sheet.

6. Only One Proposal

6.1. The Consultant (including the individual members of any Joint Venture) shall submit only one Proposal, either in its own name or as part of a Joint Venture in another Proposal. If a Consultant, including any Joint Venture member, submits or participates in more than one proposal, all such proposals shall be disqualified and rejected. This does not, however, preclude a Sub-consultant, or the Consultant's staff from participating as Key Experts and Non-Key Experts in more than one Proposal when circumstances justify and if stated in the **Data Sheet** and subject to regulatory instructions, if any.

7. Proposal Validity

7.1. Proposals shall remain valid for the period specified in the Data Sheet after the Proposal submission deadline prescribed by the Procuring Agency (PA). To ensure the validity of proposal, it shall contain bid security or bid Securing declaration as a complementary bid securing instrument having the validity twenty-eight days more than the bid validity period.

7.2. During this period, the Consultant shall maintain its original Proposal without any change, including the availability of the Key Experts, the proposed rates and the total price.

7.3. If it is established that any Key Expert nominated in the Consultant's Proposal was not available at the time of Proposal submission or was included in the Proposal without his/her confirmation, such Proposal shall be disqualified and rejected for further evaluation, and may be subject to blacklisting and debarment in accordance with Clause 5 of this ITC.

7.4. Extension of Validity Period

7.4.1. If considered necessary, an extension in the bid validity can be made in accordance with the provision of public procurement rules, 2004 or any instructions issued in this regard.

8. Bid security/Bid Securing Declaration

8.1. The consultant shall submit bid security in the form and amount specified by the procuring agency before the submission deadline. Provided that in case where the procuring agency does not require the bid security, the bidder shall submit bid securing declaration on the format prescribed by the Authority in Standard Procurement Documents.

8.2. Any Proposal not accompanied by a Bid Security or Bid Securing Declaration shall be rejected by the Procuring Agency as non-responsive.

8.3. The Bid Securing Declaration of a joint venture must be in the name of the joint venture submitting the Proposal indicating all the members are jointly and severally responsible.

8.4. The successful Consultant's Bid Securing Declaration will be discharged upon the signing the contract with the Successful Consultant, and furnishing the performance security

9. Clarification and Amendment of RFP

9.1. The Consultant may request a clarification of any part of the RFP during the period indicated in the Data Sheet before three days prior to the Proposals' submission deadline through **EPADS v2.0** only. The Procuring Agency will respond to the same through **EPADS v2.0**. Should the Procuring Agency deem it necessary to amend the RFP as a result of a clarification or at its own initiative, it shall do so following the procedure described below:

9.1.1. At any time before the proposal submission deadline, the Procuring Agency may amend the RFP by issuing an amendment through **EPADS v2.0**.

9.1.2. If the amendment is substantial, the Procuring Agency may extend the proposal submission deadline to give the Consultants reasonable time to take an amendment into account in their Proposals.

9.2. The Consultant who has already submitted the proposal prior to any amendments in the RFP, may submit a modified Proposal based on the respective amendment in the RFP at any time prior to the proposal submission deadline. No modifications to the Technical or Financial Proposal shall be accepted after the deadline.

10. Preparation of Proposals - Specific Considerations

10.1. While preparing the Proposal, the Consultant must give particular attention to the following:

10.1.1. The Procuring Agency may indicate in the Data Sheet the estimated Key Experts' time input (expressed in person-month) or the Procuring Agency's estimated total cost of the assignment, but not both. This estimate is indicative and the Proposal shall be based on the Consultant's own estimates for the same.

10.1.2. If stated in the Data Sheet, the Consultant shall include in its Proposal at least the same time input (in the same unit as indicated in the Data Sheet) of Key Experts, failing which the Financial Proposal will be adjusted for the purpose of comparison of proposals and decision for award in accordance with the procedure in the Data Sheet.

10.1.3. For assignments under the Fixed-Budget selection method, the estimated Key Experts' time input is not disclosed. Total available budget, with an indication whether it is inclusive or exclusive of taxes, is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.

10.1.4. The proposal may be subject to price adjustment in accordance with Data sheet and formula specified.

11. Financial Proposal

11.1. The Financial Proposal shall be prepared using the Standard Forms provided in the RFP. It shall list all costs associated with the assignment, including (a) remuneration for Key Experts and Non-Key Experts, (b) reimbursable expenses indicated in the Data Sheet.

12. Taxes

12.1. The proposal submitted shall be inclusive of all the taxes unless otherwise stated in the Data Sheet. The Consultant and its Sub-consultants and Experts are responsible for meeting all tax liabilities arising out of the Contract unless stated otherwise in the Data Sheet. Information on taxes in the Procuring Agency's country is provided in the Data Sheet.

13. Currency of Proposal

13.1. The Consultant may express the price for its Services in the currency or currencies as stated in the Data Sheet. If indicated in the Data Sheet, the portion of the price representing local cost shall be stated in the national currency. Payment shall also be made in the currency specified in the data sheet or condition of the contract.

C. Submission, Opening and Evaluation

14. Submission/withdrawal of Proposals

14.1. The Consultant shall submit proposal through **EPADS v2.0** before the submission deadline.

14.2. A Proposal submitted by a Joint Venture shall be submitted through **EPADS v2.0** from the account of Lead Member. Reference to the EPADS account of all the JV Member shall be provided along with the proposal. Incase any of Member is not registered on the **EPADS v2.0**, may be registered on the **EPADS v2.0** or all his credential shall be provided along with the proposal for the evaluation of the procuring agency. JV agreement signed by all the members shall also be provided along with the proposal.

14.3. A Consultant may withdraw its Proposal after it has been submitted before the submission deadline.

15. Opening of Proposal

15.1. The Procuring Agency will open all Proposal through **EPADS v2.0**.

15.2. Financial Proposal, will remain unopened till the prescribed financial Proposal opening date.

16. Evaluation of Technical Proposals

16.1. The Procuring Agency's evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in the Data Sheet.

17. Opening of Financial Proposals

17.1. After the technical evaluation is completed, the Procuring Agency shall issue the Technical Evaluation Report containing all the information regarding responsiveness or non-responsiveness of the consultant along with the technical scores (if any). The Procuring shall notify those Consultants that have achieved the minimum overall technical score and inform them of the date and time for the opening of the Financial Proposals.

17.2. The Financial Proposals shall be opened and evaluated through **EPADS v2.0**.

18. Correction of Errors

18.1. Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.

18.2. The Procuring Agency's evaluation committee will

- (a) correct any computational or arithmetical errors, and
- (b) adjust the prices if they fail to reflect all inputs included for the respective activities or items in the Technical Proposal. In case of discrepancy between (i) a partial amount (sub-total) and the total amount, or (ii) between the amount derived by multiplication of unit price with quantity and the total price, or (iii) between words and figures, the former will prevail. In case of discrepancy between the Technical and Financial Proposals in indicating quantities of input, the Technical Proposal prevails and the Procuring Agency's evaluation committee shall correct the quantification indicated in the Financial Proposal so as to make it consistent with that indicated in the Technical Proposal, apply the relevant unit price included in the Financial Proposal to the corrected quantity, and correct the total Proposal cost.

19. Conversion to Single Currency

19.1. For the evaluation purposes, prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet.

20. Selection Technique

20.1. Quality and Cost Based Selection

In the case of QCBS, the total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the Data Sheet. The Consultant achieving the highest combined technical and financial score will be invited for negotiations.

20.2. Fixed-Budget Selection (FBS)

20.2.1. In the case of FBS, those Proposals that exceed the budget indicated in the Data Sheet shall be rejected.

20.2.2. The Procuring Agency will select the Consultant that submitted the highest-ranked Technical Proposal that does not exceed the budget indicated in the RFP, and invite such Consultant to negotiate the Contract.

20.3. **Least-Cost Selection.**

In the case of Least-Cost Selection (LCS), the Procuring Agency will select the Consultant with the lowest evaluated total price among those consultants that achieved the minimum technical score, and invite such Consultant for discussion on technical issues, without changing the cost and scope of services.

D. Negotiations and Award

21. **Negotiations**

21.1. The negotiations will be held at the date and address indicated in the Data Sheet with the Consultant's representative(s) who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant.

21.2. The negotiations include discussions of the Terms of Reference (TORs), the proposed methodology, the Procuring Agency's inputs, the special conditions of the Contract, and finalizing the "Description of Services" part of the Contract. These discussions shall not alter the original scope of services under the TORs or the terms of the contract, lest the quality of the final product, its price, or the relevance of the initial evaluation be affected.

22. **Availability of Key Experts**

22.1. The invited Consultant shall confirm the availability of all Key Experts included in the Proposal as a pre-requisite to the negotiations, or, if applicable, a replacement in accordance with Clauses of ITC. Failure to confirm the Key Experts' availability may result in the rejection of the Consultant's Proposal and the Procuring Agency proceeding to negotiate the Contract with the next-ranked Consultant.

22.2. Notwithstanding the above, the substitution of Key Experts at the negotiations may be considered if due solely to circumstances outside the reasonable control of and not foreseeable by the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall offer a substitute Key Expert within the period of time specified in the letter

of invitation to negotiate the Contract, who shall have equivalent or better qualifications and experience than the original candidate.

23. Award of Contract

23.1. The Procuring Agency will award the Contract to the Consultant whose Proposal has been determined to be substantially responsive to the RFP Documents and who has been declared as Successful Consultant, provided that the same is not in conflict with any other law or policy of the Federal Government

24. Grievance Redressal Mechanism

24.1. Grievance shall be redressed in accordance with procedure and mechanism defined under Rule 48 of the Public Procurement Rules, 2004 and Redressal of Grievance regulations.

25. Mechanism of Blacklisting

25.1. The Blacklisting shall be carried out in accordance with provision of Rule 19 of the Public Procurement Rules, 2004 and for Procedure of Filing and Disposal of Review Petition under Rule 19 (3), 2021, to be read with the Regulations on "Mechanism for Blacklisting and Debarment of Bidders or Contractors Regulations, 2024".

26. Environmental objectives

26.1. As per Rule 4 of Public Procurement Rules, 2004, The procuring agency may seek to procure services with a reduced environmental impact throughout their life cycle when compared to services with the same primary function that may otherwise be procured



Bid Data Sheet

Proposal Data Sheet (BDS)

The following specific data for the procurement of Consultancy Services to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

BDS Clause Number

ITB Number

Amendments of, and Supplements to, Clauses in the Instruction to Bidders

A. General

1

1.1

Name of Procuring Agency: **Oil and Gas Regulatory Authority (OGRA) (Finance Department)**

The subject of procurement is: **Hiring of Audit Firm for IFEM Audit for FY 2024-25 & FY 2025-26**

Financial year for the operations of the Procuring Agency: **2026-27**

Name and identification number of the Contract: **P44441**

BDS Clause Number 2

ITB Number 1.2 & 9.1

The Bidders may seek clarifications through **EPADS v2.0**: Clarification Date: Tuesday, June 23, 2026

B. Preparation of Proposals

BDS Clause Number 3

ITB Number 4.1

The language of the proposals is: **English**

BDS Clause Number 4

ITB Number 6.1

Participation of Sub-consultants, Key Experts and Non-Key Experts in more than one Proposal is permissible? **No**

BDS Clause Number 6

ITB Number 7.1

Proposals shall be valid until **180 Days**

BDS Clause Number 7

ITB Number 9.1

List of documents required along with the bid: **No**

BDS Clause Number 8

ITB Number 10.2

The Consultant's Proposal must include the minimum Key Experts' time-input of _____ person-months.

For the evaluation and comparison of Proposals only: if a Proposal includes less than the required minimum time-input, the missing time-input (expressed in person-month) is calculated as follows:

The missing time-input is multiplied by the highest remuneration rate for a Key Expert in the Consultant's Proposal and added to the total remuneration amount. Proposals that quoted higher than the required minimum of time-input will not be adjusted.]

BDS Clause Number 9

ITB Number 105

The price shall be **Fixed**.

Price schedule will be provided according to the format defined and acquired. see section price schedule.

BDS Clause Number 10

ITB Number 11.1

The qualification criteria to establish the supply / production capability of the bidder.

see Eligibility Criteria

BDS Clause Number 11

ITB Number 7.6

Services and Their related documents:

See section Required Services and ToR

C. Submission, Opening and Evaluation

BDS Clause Number 12

ITB Number 8.1 & 8.2

The amount of Bid Security shall be as defined in Bid Security Section for items and lots given in **BDS 6**

The Bid Security shall be in the form of: **Pay Order**

BDS Clause Number 13

ITB Number 13.1

Currency of the Bids shall be : **PKR**

BDS Clause Number 14

ITB Number 14.1

Proposal shall be submitted online on EPADS v2.0 whereas hard copy of the bid security should be submitted to the following;

Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.

Bids that are not submitted on EPADS v2.0 shall be disqualified.

The deadline for Bids submission is: **Friday, July 10, 2026 10:30 AM**

BDS Clause Number 15

ITB Number 15.1

The Bids opening shall take place on **EPADS v2.0**.

Day : **Friday**

Date: **Friday, July 10, 2026**

Time : **11:00 AM**

BDS Clause Number 16

ITB Number 20

Selection technique adopted will be: **Least Cost Based Selection (LCBS)**
see *Evaluation Criteria*

F. Negotiation and Award

BDS Clause Number 18

ITB Number 21.5

The Performance guarantee shall: **10.00%**.

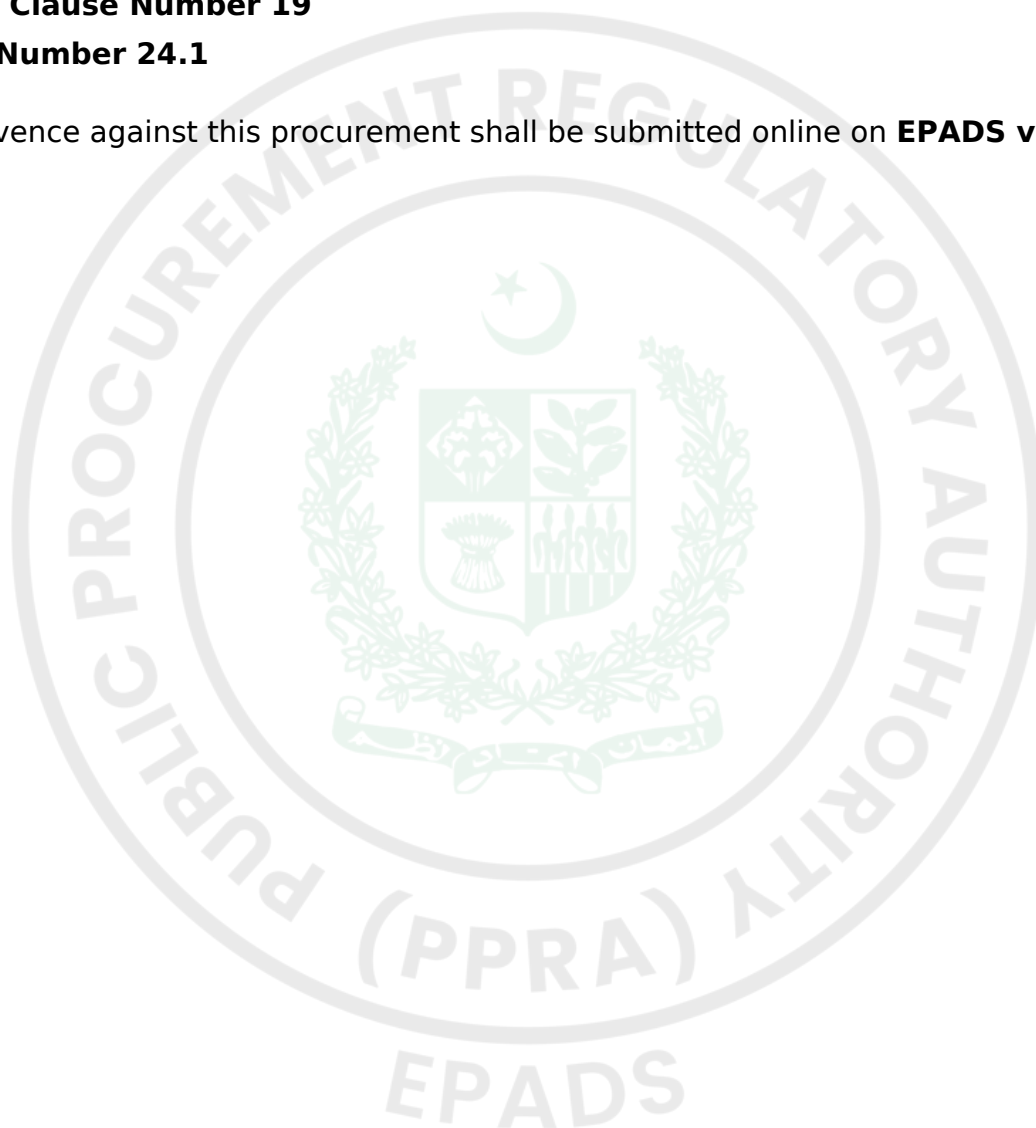
The Performance Guarantee shall be acceptable in the form of: **Bank Guarantee**

G. Review of Procurement Decisions

BDS Clause Number 19

ITB Number 24.1

Grievance against this procurement shall be submitted online on **EPADS v2.0**.



Eligibility Criteria

Bidder's Type	Required Registration
Partnership Firm	FBR (NTN)
Company (Private Limited)	FBR (GSTN)
Company (Public Limited)	SECP
Company (Holding Company)	

Eligibility Criteria	Document
QCR-rated audit firms	Yes
Registered with ICAP	Yes
(Annual Turnover supported by Income Tax Return) F.Y 2023-24, 2024-25.	Yes
Minimum of twenty (20) years of relevant experience.	Yes
Bid security of Rs. 500,000/- is enclosed	Yes
Number of assignments completed	Yes
Assignments in Hand (Current)	Yes
Latest Affidavit (that the Audit firm has not been blacklisted by private, Govt., Semi Govt. and Autonomous Body etc. and is not involved in any litigation throughout the country)	Yes

Evaluation Criteria

Least Cost Based Selection (LCBS)

Technical Marks	100
Passing Marks	70
Technical Evaluation Criteria	
<p>a. Organizational structure of the firm and presence of the firm in major cities of Pakistan (Qualitative)(Doc Required)</p> <p>No. of the Partners: Above 10= 7 points + Firms Presence: 3 Points: having presence at Karachi, Lahore and Islamabad= 3 points. Presence: in one city = 1 Point. (10)</p> <p>Partners 8-10= 5 points + Firms Presence: 3 Points: having presence at Karachi, Lahore and Islamabad= 3 points. Presence: in one city = 1 Point. (8)</p> <p>Partners 5-7 = 3 point + Firms Presence: 3 Points: having presence at Karachi, Lahore and Islamabad= 3 points. Presence: in one city = 1 Point. (6)</p> <p>Partners less than 5 = 2 point + Firms Presence: 3 Points: having presence at Karachi, Lahore and Islamabad= 3 points. Presence: in one city = 1 Point. (5)</p>	10

<p>b. Permanent Manpower Strength (subject to evidence to be enclosed) (Qualitative)(Doc Required)</p> <p>Strength above 250= 10 Points (10)</p> <p>Between 175-250 = 8 points (8)</p> <p>Between 75-175 = 5 points (5)</p> <p>Less than 75= 3 points (3)</p>	10
<p>c. The minimum composition of the team(s) which will be deployed to complete the assignment in due time (subject to evidence) (Qualitative)(Doc Required)</p> <p>5 Partners (Minimum 10 Years post Qualification Experience) one as focal/engagement partner. Each Team Composition: 1 Partner (Minimum 10 Years Post Qualification Experience) + 01 Manager (Qualified Accountant) + 10 Audit Associate /Team Members. Note: no team member shall be replaced during the audit process without the prior consent of OGRA 5 teams = 30 Marks. (30)</p> <p>In case of 4 Teams = 24 (24)</p> <p>In case of 3 Teams = 18 Marks (18)</p>	30
<p>d. Firm Turnover (Evidence to be enclosed) (Qualitative)(Doc Required)</p> <p>Firm Turnover over Rs. 500 million = 10 Points (10)</p> <p>Between 250-500 million = 7 Points (7)</p> <p>Less than 250 million = 5 points. (5)</p>	10

2- Relevant experience of Organization	
<p>a. Total work experience of the firm in undertaking audit assignments (Qualitative)(Doc Required)</p> <p>Experience in number of years: Firm experience > 20 years = 5 Marks. (5)</p> <p>Firm experience between 15-20 years = 3 (3)</p> <p>Firm Experience 11-15 Years = 2 (2)</p>	5
<p>b. Total overall exposure and competency of the firm in undertaking jobs relating to statutory audit in oil sector (Summary to be enclosed) (Qualitative)(Doc Required)</p> <p>Atleast 3 audits in each year of oil sector during last three years, of the companies with revenue over Rs 10 bn=10 Marks. Accordingly, the numbers shall be proportionately assigned (10)</p>	10
<p>c. Specific experience of the firm in undertaking the special assignment. (Quantitative)(Doc Required)</p> <p>Firm audit experience specific to special assignment during last twenty years shall has been considered. Minimum 5 Years= 5 Marks. (5)</p>	5
3- Work Protocol	
<p>a. Comprehensive approach /timelines for completion of assignment (Quantitative)(Doc Required)</p> <p>Audit timelines - deployment of resource vs activities performance timelines. This shall require the strategy/ sequence of the audit activities to be performed to complete the audit. (10)</p>	10

b. Complete methodology highlighting critical milestones (Qualitative)(Doc Required)

10

Methodology for risk assessment= 2 Points Data analytic techniques=2 Points Audit sampling methodology-3 Points.,
Use of advance software and standards for risk assessment 3 Points **(10)**



Required Services

Positions Without Lots :

Position	Delivery Schedule	Quantity	Bid Security
Hiring of Audit Firm for IFEM Audit for FY 2024-25 and 2025-26	Address: Plot No. 37 & 39,, Mauve Area, Service Road South, Sector G-10/4., Islamabad Capital Territory Schedule: Days 100 Quantity: 1	1	500000

Related Services :

No



TORS (Terms of References)

Positions Without Lots :

Position: Hiring of Audit Firm for IFEM Audit for FY 2024-25 and 2025-26

TORs (Terms of Reference):

TERMS OF REFERENCE (TOR) SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)

For detailed information of TOR's please view Annexure-1

Price Schedule

For Individual Positions

#	Position Title	Quantity	Unit Price (PKR)	Total Price (PKR)	Delivery Location	Delivery Period / Year	Country of Origin
1							
2							

For Lots

#	Lot Title	Total Lot Price (PKR)	Country of Origin
1	[Lot 1 Title]		





General Conditions of Contract

A. General Provisions

1. Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- 1.1. “**Affiliate(s)**” means an individual or an entity that directly or indirectly controls, is controlled by, or is under common control with the Consultant.
- 1.2. “**Applicable Law**” means the laws and any other instruments having the force of law in Pakistan or as may be specified in the Special Conditions of Contract (SCC), as they may be issued and in force from time to time.
- 1.3. “**Consultant**” means an individual consultant or a consulting firm as the case may be;
- 1.4. “**Contractor’s Personnel**” means personnel whom the Contractor utilizes in the execution of its contract, including the staff, labor and other employees of the Contractor and each subcontractor; and any other personnel assisting the Contractor in the execution of the contract to be supervised by the Consultant (if applicable).
- 1.5. “**Day**” means calendar day unless indicated otherwise.
- 1.6. “**Effective Date**” means the date on which this Contract comes into force and effect pursuant to Clause GCC 11.
- 1.7. “**Experts**” means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Sub-consultant or JV member(s) assigned by the Consultant to perform the Services or any part thereof under the Contract.
- 1.8. “**Foreign Currency**” means any currency other than the Pakistani Rupees.
- 1.9. “**GCC**” means these General Conditions of Contract.
- 1.10. “**Government**” means the Government of Pakistan.
- 1.11. “**Joint Venture (JV)**” means an association with or without a legal personality distinct from that of its members, of more than one entity where one member has the authority to conduct all businesses for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the Procuring Agency for the performance of the Contract.
- 1.12. “**Key Expert(s)**” means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose Curricula Vitae (CV) was taken into account in the technical evaluation of the Consultant’s proposal.
- 1.13. “**Local Currency**” means the currency of Pakistan
- 1.14. “**Non-Key Expert(s)**” means an individual professional provided by the Consultant or its Sub-consultant to perform the Services or any part thereof under the Contract.
- 1.15. “**Party**” means the Procuring Agency or the Consultant, as the case may be, and “**Parties**” means both of them.

1.16. Procuring Agency's Personnel" refers to the staff, labor and other employees (if any) of the Procuring Agency engaged in fulfilling the Procuring Agency's obligations under the Contract; and any other personnel identified as Procuring Agency's Personnel, by a notice from the Procuring Agency to the Consultant

1.17. "**Proposal**" means the Technical Proposal and/or the Financial Proposal of the Consultant.

1.18. "**RFP**" means the Request for Proposals to be prepared by the Procuring Agency for the selection of consultants, based on the SRFP.

1.19. "**SCC**" means the Special Conditions of Contract by which the GCC may be amended or supplemented but not over-written.

1.20. "**Site**" (if applicable) means the land and other places where Works are to be executed or facilities to be installed, and such other land or places as may be specified in the Contractor's Contract as forming part of the Site.

1.21. "**SRFP**" means the Standard Request for Proposals, which must be used by the Procuring Agency as the basis for the preparation of the RFP.

1.22. "**Sub-consultants**" means an entity to whom/which the Consultant subcontracts any part of the Services while remaining solely liable for the execution of the Contract.

1.23. "**Third Party**" means any person or entity other than the Government, the Procuring Agency, the Consultant or a Sub-consultant.

1.24. "**TORs**" means the Terms of Reference that explain the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the Procuring Agency and the Consultant, and expected results and deliverables of the assignment.

2. Relationship between the Parties

2.1. Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the Procuring Agency and the Consultant. The Consultant, subject to this Contract, has complete charge of the Experts and Sub-consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

3. Law Governing Contract

3.1. The contract shall be governed and interpreted in accordance with the laws of Pakistan, unless otherwise specified in SCC.

4. Language

4.1. The Contract as well as all correspondence and documents relating to the Contract exchanged between the Consultant and the Procuring Agency, shall be written in the English language unless otherwise stated in the SCC. Supporting documents and printed literature that are part of the Contract may be in another language provided these are accompanied by an accurate translation of the relevant passages in English, in which case, for purposes of interpretation of the Contract, this translation shall govern.

5. Headings

5.1. The headings shall not limit, alter or affect the meaning of this Contract.

6. Communications

6.1. Any communication required or permitted to be given or made pursuant to this Contract shall be in writing in the language specified in Clause GCC 4. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SCC.

6.2. A Party may change its address for notice hereunder by giving the other Party any communication of such change to the address specified in the SCC.

7. Location

7.1. The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Procuring Agency may approve.

8. Authority of Member in Charge

8.1. In case the Consultant is a Joint Venture, the members hereby authorize the member specified in the SCC to act on their behalf in exercising all the Consultant's rights and obligations towards the Procuring Agency under this Contract, including without limitation the receiving of instructions and payments from the Procuring Agency.

9. Authorized Representatives

9.1. Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Procuring Agency or the Consultant may be taken or executed by the officials specified in the SCC.

10. Fraud and Corruption

10.1. Public Procurement Regulatory Authority requires that Procuring Agencies (including beneficiaries of Government funded projects) as well as Applicants/Bidders/Suppliers/Contractors under Government financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts in accordance with the requirement of Procurement Regulatory Framework

B. Commencement, Completion, Modification and Termination of Contract

11. Effectiveness of Contract

11.1. This Contract shall come into force and effect on the date (the "Effective Date") of the Procuring Agency's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCC have been met.

12. Termination of Contract for Failure to Become Effective

12.1. If this Contract has not become effective within such time period after the date of Contract signature as specified in the SCC, either Party may, by not less than twenty two (22) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

13. Commencement of Services

13.1. The Consultant shall confirm availability of Key Experts and begin carrying out the Services not later than the number of days after the Effective Date specified in the SCC.

14. Expiration of Contract

14.1. Unless terminated earlier pursuant to Clause GCC 19 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SCC.

15. Entire Agreement

15.1. This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

16. Modifications or Variations

16.1. Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

16.2. In cases of any modifications or variations, the prior written consent of the Procuring Agency is required.

17. Force Majeure

17.1. Definition

17.1.1. For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible under the circumstances, and subject to those requirements, includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action confiscation or any other action by Government agencies.

17.1.2. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Experts, Sub-consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.

17.1.3. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

17.2. No Breach of Contract

17.2.1. The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

17.3. Measures to be Taken

17.3.1. A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

17.3.2. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) calendar days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

17.3.3. Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

17.3.4. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the Procuring Agency, shall either:

17.3.4.1. demobilize, in which case the Consultant shall be reimbursed for additional costs they reasonably and necessarily incurred, and, if required by the Procuring Agency, in reactivating the Services; or

17.3.4.2. continue with the Services to the extent reasonably possible, in which case the Consultant shall continue to be paid under the terms of this Contract and be reimbursed for additional costs reasonably and necessarily incurred.

17.3.5. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clauses GCC 49& 50.

18. Suspension

18.1. The Procuring Agency may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) calendar days after receipt by the Consultant of such notice of suspension.

19. Termination

19.1. This Contract may be terminated by either Party as per provisions set up below:

a) By the Procuring Agency

19.1.1. The Procuring Agency may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause. In such an occurrence the Procuring Agency shall give at least thirty (30) days' written notice of termination to the Consultant in case of the events referred to in (a) through (d); at least sixty (60) days' written notice in case of the event referred to in (e); and at least five (5) days' written notice in case of the event referred to in (f):

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GCC 18;
- (b) If the Consultant becomes (or, if the Consultant consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GCC 49
- (d) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (e) If the Procuring Agency, in its sole discretion and for any reason whatsoever, decides to terminate this Contract;
- (f) If the Consultant fails to confirm availability of Key Experts as required in Clause GCC 13.

19.1.2. if the Consultant, in the judgment of the Procuring Agency has engaged in Fraud and Corruption, in competing for or in executing the Contract, then the Procuring Agency may, after giving fourteen (14) calendar days written notice to the Consultant, terminate the Consultant's employment under the Contract.

19.2. By the Consultant

The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the Procuring Agency, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause.

- (a) If the Procuring Agency fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clauses GCC 49.1 within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (c) If the Procuring Agency fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCC 49.1.
- (d) If the Procuring Agency is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Procuring Agency of the Consultant's notice specifying such breach.

19.3. Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clauses GCC 12 or GCC 19 hereof, or upon expiration of this Contract pursuant to Clause GCC 14, all rights and obligations of the Parties hereunder shall cease, except

- (i) such rights and obligations as may have accrued on the date of termination or expiration,
- (ii) the obligation of confidentiality set forth in Clause GCC 22,

(iii) the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GCC 25 and to cooperate and assist in any inspection or investigation, and (iv) any right which a Party may have under the Applicable Law.

19.4. Cessation of Services

19.4.1. Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GCC 19a or GCC 19b, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the Procuring Agency, the Consultant shall proceed as provided, respectively, by Clauses GCC 27 or GCC 28.

19.5. e.Payment upon Termination

Upon termination of this Contract, the Procuring Agency shall make the following payments to the Consultant:

- (a) remuneration for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures for expenditures actually incurred prior to the effective date of termination; and pursuant to Clause 43;
- (b) in the case of termination pursuant to paragraphs (d) and (e) of Clause GCC 19.1.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of this Contract, including the cost of the return travel of the Experts.

C. Obligations of the Consultant

20. General

20.1. Standard of Performance

20.1.1. The Consultant shall perform the Services and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as a faithful adviser to the Procuring Agency, and shall at all times support and safeguard the Procuring Agency's legitimate interests in any dealings with the third parties.

20.1.2. The Consultant shall employ and provide such qualified and experienced Experts and Sub-consultants as are required to carry out the Services.

20.1.3. The Consultant may subcontract part of the Services to an extent and with such Key Experts and Sub-consultants as may be approved in advance by the Procuring Agency

20.2. Law Applicable to Services

20.2.1. The Consultant shall perform the Services in accordance with the Contract and in accordance with the Law of Pakistan and shall take all practicable steps to ensure that any of its Experts and Sub-consultants, comply with the Applicable Law.

21. Conflict of Interests

21.1. The Consultant shall hold the Procuring Agency's interest's paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

21.1.1. Consultant Not to Benefit from Commissions, Discounts, etc.

21.1.1.1. The payment of the Consultant pursuant to GCC F (Clauses GCC 42 through 47) shall constitute the Consultant's only payment in connection with this Contract and, subject to Clause GCC 21.1.3, the Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-consultants, as well as the Experts and agents of either of them, similarly shall not receive any such additional payment.

21.1.1.2. Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the Procuring Agency on the procurement of goods, works or services. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the Procuring Agency.

21.1.2. Consultant and Affiliates Not to Engage in Certain Activities

21.1.2.1. The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-consultants and any entity affiliated with such Sub-consultants, shall be disqualified from providing goods, works or non-consulting services resulting from or directly related to the Consultant's Services for the preparation or implementation of the project, unless otherwise indicated in the SCC.

21.1.3. Prohibition of Conflicting Activities

21.1.3.1. The Consultant shall not engage, and shall cause its Experts as well as its Sub-consultants not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

21.1.4. Strict Duty to Disclose Conflicting Activities

21.1.4.1. The Consultant has an obligation and shall ensure that its Experts and Sub-consultants shall have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Procuring Agency, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.

22. Confidentiality

22.1. Except with the prior written consent of the Procuring Agency, the Consultant and the Experts shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Experts make public the recommendations formulated in the course of, or as a result of, the Services.

23. Liability of the Consultant

23.1. Subject to additional provisions, if any, set forth in the SCC, the Consultant's liability under this Contract shall be as determined under the Applicable Law.

24. Insurance to be Taken out by the Consultant

24.1. The Consultant (i) shall take out and maintain, and shall cause any Sub-consultants to take out and maintain, at its (or the Sub-consultants', as the case may be) own cost but on terms and conditions approved by the Procuring Agency, insurance against the risks, and for the coverage specified in the SCC, and (ii) at the Procuring Agency's request, shall provide evidence to the Procuring Agency showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid. The Consultant shall ensure that such insurance is in place prior to commencing the Services as stated in Clause GCC 13.

25. Accounting, Inspection and Auditing

25.1. The Consultant shall keep, and shall make all reasonable efforts to cause its Sub-consultants to keep, accurate and systematic accounts and records in respect of the Services in such form and detail as will clearly identify relevant time changes and costs.

25.2. Pursuant to paragraph 1.23 (e) of Attachment 1 to the General Conditions, the Consultant shall permit and shall cause its agents (where declared or not), subcontractors, sub-consultants, service providers, suppliers, and personnel, to permit, the procuring agency to inspect the site and/or the accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have such accounts, records and other documents. The Consultant's and its Subcontractors' and sub-consultants' attention is drawn to Sub-Clause 10.1 (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Procuring Agency's inspection and audit rights constitute a prohibited practice subject to contract termination.

26. Reporting Obligations

26.1. The Consultant shall submit to the Procuring Agency the reports and documents specified in Appendix A, in the form, in the numbers and within the time periods set forth in the said Appendix.

27. Proprietary Rights of the Procuring Agency in Reports and Records

27.1. Unless otherwise indicated in the SCC, all reports and relevant data and information such as maps, diagrams, plans, databases, other documents and software, supporting records or material compiled or prepared by the Consultant for the Procuring Agency in the course of the Services shall be confidential and become and remain the absolute property of the Procuring Agency. The Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Procuring Agency, together with a detailed inventory thereof. The Consultant may retain a copy of such documents, data and/or software but shall not use the same for purposes unrelated to this Contract without prior written approval of the Procuring Agency.

27.2. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of the plans, drawings, specifications, designs, databases, other documents and software, the Consultant shall obtain the Procuring Agency's prior written approval to such agreements, and the Procuring Agency shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned. Other restrictions about the future use of these documents and software, if any, shall be

specified in the SCC.

28. Equipment, Vehicles and Materials

28.1. Equipment, vehicles and materials made available to the Consultant by the Procuring Agency, or purchased by the Consultant wholly or partly with funds provided by the Procuring Agency, shall be the property of the Procuring Agency and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Procuring Agency an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with the Procuring Agency's instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the Procuring Agency in writing, shall insure them at the expense of the Procuring Agency in an amount equal to their full replacement value.

28.2. Any equipment or materials brought by the Consultant or its Experts into the Procuring Agency's country for the use either for the project or personal use shall remain the property of the Consultant or the Experts concerned, as applicable.

29. Code of Conduct

29.1. The Procuring Agencies and the Consultant are bound to follow the Code of Ethics to be issued by the Authority.

D. Consultant's Experts and Sub-Consultants

30. Description of Key Experts

30.1. The title, agreed job description, minimum qualification and time-input estimates to carry out the Services of each of the Consultant's Key Experts are described in Appendix B.

30.2. If required to comply with the provisions of Clause GCC 20a, adjustments with respect to the estimated time-input of Key Experts set forth in Appendix B may be made by the Consultant by a written notice to the Procuring Agency, provided (i) that such adjustments shall not alter the original time-input estimates for any individual by more than 10% or one week, whichever is larger; and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GCC 42.2.

30.3. If additional work is required beyond the scope of the Services specified in Appendix A, the estimated time-input for the Key Experts may be increased by agreement in writing between the Procuring Agency and the Consultant. In case where payments under this Contract exceed the ceilings set forth in Clause GCC 42.2, the Parties shall sign a Contract amendment.

31. Replacement of Key Experts

31.1. Except as the Procuring Agency may otherwise agree in writing, no changes shall be made in the Key Experts.

31.2. Notwithstanding the above, the substitution of Key Experts during Contract execution may be considered only based on the Consultant's written request and due to circumstances outside the reasonable control of the

Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall forthwith provide as a replacement, a person of equivalent or better qualifications and experience, and at the same rate of remuneration.

32. Approval of Additional Key Experts

32.1. If during execution of the Contract, additional Key Experts are required to carry out the Services, the Consultant shall submit to the Procuring Agency for review and approval a copy of their Curricula Vitae (CVs). If the Procuring Agency does not object in writing (stating the reasons for the objection) within twenty two (22) days from the date of receipt of such CVs, such additional Key Experts shall be deemed to have been approved by the Procuring Agency.

The rate of remuneration payable to such new additional Key Experts shall be based on the rates for other Key Experts position which require similar qualifications and experience.

33. Removal of Experts or Sub-consultants

33.1. If the Procuring Agency finds that any of the Experts or Sub-consultant has committed serious misconduct or has been charged with having committed a criminal action, or shall the Procuring Agency determine that a Consultant's Expert or Sub-consultant has engaged in Fraud and Corruption while performing the Services, the Consultant shall, at the Procuring Agency's written request, provide a replacement.

33.2. In the event that any of Key Experts, Non-Key Experts or Sub-consultants is found by the Procuring Agency to be incompetent or incapable in discharging assigned duties, the Procuring Agency, specifying the grounds therefore, may request the Consultant to provide a replacement.

33.3. Any replacement of the removed Experts or Sub-consultants shall possess better qualifications and experience and shall be acceptable to the Procuring Agency.

34. Replacement/ Removal of Experts – Impact on Payments

34.1. Except as the Procuring Agency may otherwise agree, (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Experts provided as a replacement shall not exceed the remuneration which would have been payable to the Experts replaced or removed.

35. Working Hours, Overtime, Leave, etc.

35.1. Working hours and holidays for Experts are set forth in Appendix B. To account for travel time to/from the Procuring Agency's country, experts carrying out Services inside the Procuring Agency's country shall be deemed to have commenced or finished work in respect of the Services such number of days before their arrival in, or after their departure from, the Procuring Agency's country as is specified in Appendix B.

35.2. The Experts shall not be entitled to be paid for overtime nor to take paid sick leave or vacation leave except as specified in Appendix B, and the Consultant's remuneration shall be deemed to cover these items.

35.3. Any taking of leave by Key Experts shall be subject to the prior approval by the Consultant who shall ensure that absence for leave purposes will not delay the progress and or impact adequate supervision of the Services.

E. Obligations of the Procuring Agency

36. Assistance and Exemptions

36.1. Unless otherwise specified in the SCC, the Procuring Agency shall use its best efforts to:

36.1.1. Assist the Consultant with obtaining work permits and such other documents as shall be necessary to enable the Consultant to perform the Services.

36.1.2. Facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Experts and their eligible dependents.

36.1.3. Issue to officials, agents and representatives of the Government all such instructions and information as may be necessary or appropriate for the prompt and effective implementation of the Services.

36.1.4. Assist the Consultant and the Experts and any Sub-consultants employed by the Consultant for the Services with obtaining exemption from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity in the Procuring Agency's country according to the applicable law in the Procuring Agency's country.

36.1.5. Assist the Consultant, any Sub-consultants and the Experts of either of them with obtaining the privilege, pursuant to the applicable law in the Procuring Agency's country, of bringing into the Procuring Agency's country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Experts and of withdrawing any such amounts as may be earned therein by the Experts in the execution of the Services.

36.1.6. Provide to the Consultant any such other assistance as may be specified in the SCC.

37. Access to Project Site

37.1. The Procuring Agency warrants that the Consultant shall have, free of charge, unimpeded access to the project site in respect of which access is required for the performance of the Services. The Procuring Agency will be responsible for any damage to the project site or any property thereon resulting from such access and will indemnify the Consultant and each of the experts in respect of liability for any such damage, unless such damage is caused by the willful default or negligence of the Consultant or any Sub-consultants or the Experts of either of them.

38. Change in the Applicable Law Related to Taxes and Duties

38.1. If, after the date of this Contract, there is any change in the applicable law in the Procuring Agency's country with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GCC 42.2.

39. Services, Facilities and Property of the Procuring Agency

39.1. The Procuring Agency shall make available to the Consultant and the Experts, for the purposes of the Services and free of any charge, the services, facilities and property described in the Terms of Reference (Appendix A) at the times and in the manner specified in said Appendix A.

39.2. In case that such services, facilities and property shall not be made available to the Consultant as and when specified in Appendix A, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Consultant for the performance of the Services, (ii) the manner in which the Consultant shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultant as a result thereof pursuant to Clause GCC 42.3.

40. Counterpart Personnel

40.1. The Procuring Agency shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the Procuring Agency with the Consultant's advice, if specified in Appendix A.

40.2. If counterpart personnel are not provided by the Procuring Agency to the Consultant as and when specified in Appendix A, the Procuring Agency and the Consultant shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Procuring Agency to the Consultant as a result thereof pursuant to Clause GCC 42.3.

40.3. Professional and support counterpart personnel, excluding Procuring Agency's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the Procuring Agency shall not unreasonably refuse to act upon such request.

41. Payment Obligation

41.1. In consideration of the Services performed by the Consultant under this Contract, the Procuring Agency shall make such payments to the Consultant and in such manner as is provided by GCC F below.

F. Payments to the Consultant

42. Ceiling Amount

42.1. An estimate of the cost of the Services is set forth in Appendix C (Remuneration) and Appendix D (Reimbursable expenses).

42.2. Payments under this Contract shall not exceed the ceilings in foreign currency and in local currency specified in the SCC.

42.3. For any payments in excess of the ceilings specified in GCC42.2, an amendment to the Contract shall be signed by the Parties referring to the provision of this Contract that evokes such amendment.

43. Remuneration and Reimbursable Expenses

43.1. The Procuring Agency shall pay to the Consultant (i) remuneration that shall be determined on the basis of time actually spent by each Expert in the performance of the Services after the date of commencing of Services or such other date as the Parties shall agree in writing; and (ii) reimbursable expenses that are actually and reasonably incurred by the Consultant in the performance of the Services.

43.2. All payments shall be at the rates set forth in Appendix C and Appendix D.

43.3. Unless the SCC provides for the price adjustment of the remuneration rates, said remuneration shall be fixed for the duration of the Contract.

43.4. The remuneration rates shall cover: (i) such salaries and allowances as the Consultant shall have agreed to pay to the Experts as well as factors for social charges and overheads (bonuses or other means of profit-sharing shall not be allowed as an element of overheads), (ii) the cost of backstopping by home office staff not included in the Experts' list in Appendix B, (iii) the Consultant's profit, and (iv) any other items as specified in the SCC.

43.5. Any rates specified for Experts not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Procuring Agency, once the applicable remuneration rates and allowances are known.

44. Taxes and Duties

44.1. The Consultant, Sub-consultants and Experts are responsible for meeting any and all tax liabilities arising out of the Contract unless it is stated otherwise in the SCC.

44.2. As an exception to the above and as stated in the SCC, all local identifiable indirect taxes (itemized and finalized at Contract negotiations) are reimbursed to the Consultant or are paid by the Procuring Agency on behalf of the Consultant.

45. Currency of Payment

45.1. Any payment under this Contract shall be made in the currency(ies) specified in the SCC.

46. Mode of Billing and Payment

46.1. Billings and payments in respect of the Services shall be made as follows:

(a) Advance payment. Within the number of days after the Effective Date, the Procuring Agency shall pay to the Consultant an advance payment as specified in the SCC. Unless otherwise indicated in the SCC, an advance payment shall be made against an advance payment bank guarantee acceptable to the Procuring Agency in an amount (or amounts) and in a currency (or currencies) specified in the SCC. Such guarantee (i) is to remain effective until the advance payment has been fully set off, and (ii) is to be in the form set forth in Appendix E, or in such other form as the Procuring Agency shall have approved in writing. The advance payments will be set off by the Procuring Agency in equal installments against the statements for the number of months of the Services specified in the SCC until said advance payments have been fully set off.

(b) The Itemized Invoices. As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, or after the end of each time interval otherwise indicated in the SCC, the Consultant shall submit to the Procuring Agency, in duplicate, itemized invoices, accompanied by the receipts or other appropriate supporting documents, of the amounts payable pursuant to Clauses GCC 45 and GCC 46 for such interval, or any other period indicated in the SCC. Separate invoices shall be submitted for expenses incurred in foreign currency and in local currency. Each invoice shall show remuneration and reimbursable

expenses separately.

(c) The Procuring Agency shall pay the Consultant's invoices within sixty (60) days after the receipt by the Procuring Agency of such itemized invoices with supporting documents. Only such portion of an invoice that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the Consultant, the Procuring Agency may add or subtract the difference from any subsequent payments.

(d) **The Final Payment** .The final payment under this Clause shall be made only after the final report and a final invoice, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the Procuring Agency. The Services shall be deemed completed and finally accepted by the Procuring Agency and the final report and final invoice shall be deemed approved by the Procuring Agency as satisfactory ninety (90) calendar days after receipt of the final report and final invoice by the Procuring Agency unless the Procuring Agency, within such ninety (90) calendar day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final invoice. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount that the Procuring Agency has paid or has caused to be paid in accordance with this Clause in excess of the amounts payable in accordance with the provisions of this Contract shall be reimbursed by the Consultant to the Procuring Agency within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the Procuring Agency for reimbursement must be made within twelve (12) calendar months after receipt by the Procuring Agency of a final report and a final invoice approved by the Procuring Agency in accordance with the above.

(e) All payments under this Contract shall be made to the accounts of the Consultant specified in the SCC.

(f) With the exception of the final payment under (d) above, payments do not constitute acceptance of the Services nor relieve the Consultant of any obligations hereunder.

47. Interest on Delayed Payments

47.1. If the Procuring Agency had delayed payments beyond fifteen (15) days after the due date stated in Clause GCC 46.1 (c), interest shall be paid to the Consultant on any amount due by, not paid on, such due date for each day of delay at the annual rate stated in the SCC.

G. Fairness and Good Faith

48. Good Faith

48.1. The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

H. Settlement of Disputes

49. Amicable Settlement

49.1. Any dispute of any kind whatsoever shall arise between the Procuring Agency and the Service Provider in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity or termination, or the execution of the Project –whether during

developing phase or after their completion and whether before or after the termination, abandonment or breach of the Contract – the parties shall seek to resolve any such dispute or difference by mutual consultation. If the parties fail to resolve such a dispute or difference even after negotiations or mediation, then the dispute shall be referred within fourteen (14) days in writing by either party to the Arbitrator, with a copy to the other party.

49.2. Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with GCC sub-clause 45.1, shall be finally settled by arbitration. Arbitration may be commenced prior to or after completion of the Project. Arbitration proceedings shall be conducted in accordance with Arbitration Act 1940.

49.3. Notwithstanding any reference to the arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree that the Procuring Agency shall pay the Service Provider any monies due the Service Provider.





Special Conditions of Contract

SPECIAL CONDITIONS OF CONTRACT

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the Conditions of Contract. The corresponding clause number of the GCC is indicated in parentheses.

Number of GC Clause

Amendments of, and Supplements to, Clauses in the General Conditions of Contract>

Number of GC Clause 3.1

The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan

Number of GC Clause 4.1

The language is **English**

Number of GC Clause 6.1 and 6.2

The addresses are:

The Procuring Agency is: Oil and Gas Regulatory Authority (OGRA) (Finance Department), Senior Executive Director Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.

The Consultant Address:

The title of the subject procurement is:Hiring of Audit Firm for IFEM Audit for FY 2024-25 & FY 2025-26

Number of GC Clause 8.1

[Note: If the Consultant consists only of one entity, state "N/A"; Or

The Lead Member on behalf of the JV is _____ *[insert name of the member]*

Number of GC Clause 9.1

The Authorized Representatives are:

The Authorized Representatives are:

For the Procuring Agency:

Oil and Gas Regulatory Authority (OGRA) (Finance Department), Senior Executive Director
Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.
+92-314-420-1589
myaqub@ogra.org.pk

For the Bidder:

Name:

Designation:

Address:

Number of GC Clause 11.1

[Note: If there are no effectiveness conditions, state “N/A”]OR

List here any conditions of effectiveness of the Contract]

The effectiveness conditions are the following: *[insert “N/A” or list the conditions]*

Termination of Contract for Failure to Become Effective:

The time period shall be _____ *[insert time period, e.g.: four months].*

Commencement of Services:

The number of days shall be _____ *[e.g.: ten].*

Confirmation of Key Experts’ availability to start the Assignment shall be submitted to the Procuring Agency in writing as a written statement signed by each Key Expert.

Expiration of Contract:

The time period shall be _____ *[insert time period, e.g.: twelve months].*

Number of GC Clause 23.1

No additional provisions.

The following limitation of the Consultant’s Liability towards the Procuring Agency can be subject to the Contract’s negotiations:

Number of GC Clause 24.1

The insurance coverage against the risks shall be as follows:

(a) Professional liability insurance, with a minimum coverage of _____ *[insert amount and currency which should be not less than the total ceiling amount of the Contract];*

Number of GC Clause 33. Removal of Experts or Sub-consultants

[Note to Procuring Agency: include the following for supervision of infrastructure contracts (such as Plant or Works) and for other consulting service where the social risks are substantial or high, otherwise delete.]

Price adjustment on the remuneration *[insert “applies” or “ does not apply”]*

[If the Contract is less than 18 months, price adjustment does not apply.

If the Contract has duration of more than 18 months, a price adjustment provision on the remuneration for foreign and/or local inflation shall be included here. The adjustment should be made every 12 months after the date of the contract for remuneration in foreign currency and – except if there is very high inflation in the Procuring Agency’s country, in which case more frequent adjustments should be provided for – at the same

intervals for remuneration in local currency. Remuneration in foreign currency should be adjusted by using the relevant index for salaries in the country of the respective foreign currency (which normally is the country of the Consultant) and remuneration in local currency by using the corresponding index for the Procuring Agency's country. A sample provision is provided below for guidance:

Payments for remuneration made in [foreign *and/or* local] currency shall be adjusted as follows:

{ or }

where

R_f is the adjusted remuneration;

R_{fo} is the remuneration payable on the basis of the remuneration rates (**Appendix C**) in foreign currency;

I_f is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect; and

I_{fo} is the official index for salaries in the country of the foreign currency for the month of the date of the Contract.

{ or }

where

R_l is the adjusted remuneration;

R_{lo} is the remuneration payable on the basis of the remuneration rates (**Appendix D**) in local currency;

I_l is the official index for salaries in the Procuring Agency's country for the first month for which the adjustment is to have effect; and

I_{lo} is the official index for salaries in the Procuring Agency's country for the month of the date of the Contract.

The currency of payment shall be the following: PKR

[The advance payment could be in either the foreign currency, or the local currency, or both; select the correct wording in the Clause here below. The advance bank payment guarantee should be in the same currency(ies)]

The following provisions shall apply to the advance payment and the advance bank payment guarantee:

Following is the guidance for Dispute Resolution

i. If any dispute of any kind whatsoever shall arise between the Authority and the Bidder in connection with or arising out of the Contract, including without prejudice to the generality of foregoing, any question regarding its existence, validity, termination and the execution of the Contract – whether during developing phase or after their completion and whether before or after the termination, abandonment or breach of the Contract – the parties shall seek to resolve any such dispute or difference by mutual diligent negotiations in good faith within 14 (fourteen) days following a notice sent by one Party to the other Party in this regard.

ii. At future of negotiation the dispute shall be resolved through mediation and mediator shall be appointed with the mutual consent of the both parties.

iii. At the event of failure of mediation to resolve the dispute relating to this contract such dispute shall finally be resolved through binding Arbitration by sole arbitrator in accordance with Arbitration Act 1940. The arbitrator shall be appointed by mutual consent of the both parties. The Arbitration shall take place in Islamabad, Pakistan and proceedings will be conducted in English language.

iv. The cost of the mediation and arbitration shall be shared by the parties in equal proportion however the both parties shall bear their own costs and lawyer's fees regarding their own participation in the mediation and arbitration. However, the Arbitrator may make an award of costs upon the conclusion of the arbitration making any party to the dispute liable to pay the costs of another party to the dispute.

v. Arbitration proceedings as mentioned in the above clause regarding resolution of disputes may be commenced prior to, during or after completion of the contract.

Notwithstanding any reference to the arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree that the Authority shall pay the Bidder any monies due to the Bidder.

Arbitrator's fee:

The fee shall be specified in Pak Rupees, as determined by the Arbitrator, which shall be shared equally by both parties.

Appointing Authority for Arbitrator:

By the Mutual Consent or in accordance with the provisions of Arbitration Act, 1940, in case the parties fail to reach a consensus on the name of sole arbitrator, any party may submit an application to the Chief Justice Islamabad High Court for appointment of sole arbitrator. The Chief Justice IHC may appoint a former judge of any High Court or Supreme Court as the sole arbitrator to resolve the dispute between the parties.

Rules of procedure for arbitration proceedings:

Any dispute between the Authority and a Bidder who is a national of the Islamic Republic of Pakistan arising in connection with the present Contract shall be referred to adjudication or arbitration in accordance with the laws of the Islamic Republic of Pakistan including Arbitration Act 1940, however above provision shall prevail in referring the case to the Arbitrator.

Place of Arbitration and Award:

The arbitration shall be conducted in English language and place of arbitration shall be at Islamabad. The award of the arbitrator shall be final and shall be binding on the parties.



Bid Securing Declaration

Bid Securing Declaration

Date: *[insert date (as day, month and year)]*

Bid No.: **P44441**

To: **Oil and Gas Regulatory Authority (OGRA) (Finance Department), Senior Executive Director Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.**

We, the undersigned, declare that:

We understand that, according to your conditions, Bids must be supported by a Bid Securing Declaration.

We accept that we will be blacklisted and henceforth cross debarred for participating in respective category of public procurement proceedings for a period of (not more than) six months, if fail to abide with a bid securing declaration, however without indulging in corrupt and fraudulent practices, if we are in breach of our obligation(s) under the Bid conditions, because we:

1. have withdrawn or modified our Bid during the period of Bid Validity specified in the Form of Bid;
2. Disagreement to arithmetical correction made to the Bid price; or
3. having been notified of the acceptance of our Bid by the Procuring Agency during the period of Bid Validity, (i) failure to sign the contract if required by Procuring Agency to do so or (ii) fail or refuse to furnish the Performance Security or to comply with any other condition precedent to signing the contract specified in the Bidding Documents.

We understand this Bid Securing Declaration shall expire if we are not the successful

Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight (28) days after the expiration of our Bid.



Contract Form

FORM OF CONTRACT

This CONTRACT (hereinafter called the “Contract”) is made the [number] day of the month of [month], [year], between, on the one hand, [name of Procuring Agency or Recipient] (hereinafter called the “Procuring Agency”) and, on the other hand, [name of Consultant] (hereinafter called the “Consultant”).

[If the Consultant consist of more than one entity, the above should be partially amended to read as follows: “...(hereinafter called the “Procuring Agency”) and, on the other hand, a Joint Venture consisting of the following entities, each member of which will be jointly and severally liable to the Procuring Agency for all the Consultant’s obligations under this Contract, namely, [name of member] and [name of member] (hereinafter called the “Consultant”).]

WHEREAS

1. the Procuring Agency has requested the Consultant to provide certain consulting services as defined in this Contract (hereinafter called the “Services”);
2. the Consultant, having represented to the Procuring Agency that it has the required professional skills, expertise and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;
3. the Procuring Agency has received [or has applied for] a loan [or credit or grant] from the *[Insert as appropriate:]*) toward the cost of the Services and intends to apply a portion of the proceeds of this [loan/credit/grant] to eligible payments under this Contract, it being understood that (i) payments will be made only at the request of the Procuring Agency; (ii) such payments will be subject, in all respects, to the terms and conditions of the [loan/financing/grant] agreement, including prohibitions of withdrawal from the [loan/credit/grant] account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import.

NOW THEREFORE the parties hereto hereby agree as follows:

The following documents attached hereto shall be deemed to form an integral part of this Contract:

- The General Conditions of Contract
- The Special Conditions of Contract;
- Appendices: Appendix
 - Terms of Reference Appendix
 - Key Experts Appendix
 - Remuneration Cost Estimates Appendix)
 - Reimbursable Cost Estimates Appendix
 - Form of Advance Payments Guarantee

In the event of any inconsistency between the documents, the following order of precedence shall prevail: the Special Conditions of Contract; the General Conditions of Contract, including Attachment 1; Appendix A;

Appendix B; Appendix C and Appendix D; and Appendix E. Any reference to this Contract shall include, where the context permits, a reference to its Appendices.

2. The mutual rights and obligations of the Procuring Agency and the Consultant shall be as set forth in the Contract, in particular:

- (a) the Consultant shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Procuring Agency shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[Name of Procuring Agency]*

[Authorized Representative of the Procuring Agency – name, title and signature]

For and on behalf of *[Name of Consultant or Name of a Joint Venture]*

[Authorized Representative of the Consultant – name and signature]

[For a joint venture, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached.]

For and on behalf of each of the members of the Consultant *[insert the name of the Joint Venture]*

[Name of the lead member]

[Authorized Representative on behalf of a Joint Venture]

[add signature blocks for each member if all are signing]



Integrity Pact

Integrity Pact

DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS.10.00 MILLION OR MORE

Contract

Number: Contract

Value: Contract Title:

Dated:

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

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

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

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

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



Performance Guarantee Form

Performance Guarantee Form

To: **Oil and Gas Regulatory Authority (OGRA) (Finance Department), Senior Executive Director Plot No 37 & 39, Mauve Area, Service Road, Sector G-10/4, Islamabad.**

WHEREAS *[name of Bidder]* (hereinafter called “the Bidder”) has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated *[insert date]* for provision of Goods(hereinafter called “the Contract”).

AND WHEREAS it has been stipulated by you in the said Contract that the Bidder shall furnish you with a Bank Guarantee by a reputable bank for the sum specified therein as security for compliance with the Bidder’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Bidders guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Bidder, up to a total of *[amount of the guarantee in words and figures]*, and we undertake to pay you, upon your first written demand declaring the Bidder to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the: *[insert date]*

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]





Annexure

Annexure-1

The Oil & Gas Regulatory Authority (OGRA), Islamabad invite Bids through EPADS (E-Pak Acquisition & Disposal System) version 2.0 from QCR-rated audit firms, registered with ICAP, having a minimum of twenty (20) years of relevant experience and registered with the Income Tax and Sales Tax Departments for conducting of Inland Freight Equalization Margin (IFEM) Audit for the period of Financial Year 2024-25 and 2025-26 (two years).

Information (Read-Only)

See Form Under Additional Forms and Documents: **Annexure-1** (page number: 66)





Procurement Forms







Additional Forms and Documents

TENDER NOTICE - INVITATION FOR E-BIDS Via EPADS -V 2.0

The Oil & Gas Regulatory Authority (OGRA), Islamabad invite Bids through EPADS (E-Pak Acquisition & Disposal System) version 2.0 from QCR-rated audit firms, registered with ICAP, having a minimum of twenty (20) years of relevant experience and registered with the Income Tax and Sales Tax Departments, for the below mentioned tender;-

Name of Tender	Tender No.	Required Bid Security Fixed	Procurement Method
Hiring of chartered accountant firm for conducting of Inland Freight Equalization Margin (IFEM) Audit for the period of Financial Year 2024-25 and 2025-26 (two years)	10-12(17)/2026	Rs. 500,000/-	Single Stage Two Envelope

TERMS AND CONDITIONS: -

Tender Notice with documents containing detailed requirements including scope of work/terms of reference, evaluation criteria etc. are available on EPADS web portal of PPRA and official website of OGRA (www.ogra.org.pk) and PPRA (www.ppra.gov.pk). A complete set of Bid Solicitation Document can be downloaded by interested Bidder from EPADS (<http://ppra.eprocure.gov.pk>).

2. Bidders should submit the electronic proposals prepared in accordance with the instruction in the documents for bidder and compliance and submission of requisite documents.
3. Interested bidders shall submit bid(s) by uploading scan copy of bid(s) on EPADS on or before **July 10, 2026 till 10:30 AM (PST)**. The bidders shall upload all relevant/mandatory document on EPADS.
4. The scan copy of the bid security must be attached with Bids on EPAD. Bids without earnest money on EPADS will not be entertained.
5. Original CDR/Bid Security must be submitted to the office of the SED (Finance), OGRA-Islamabad on or before **July 10, 2026 at 10:30 AM (PST)**. If the original Bid Security does not reach the aforementioned office by the closing date & time, the bid will be rejected.
6. Electronic Bids shall be opened on the **same day at 11:00 AM (PST)**. The bids will be evaluated based on single stage-two envelope procedure under PPRA rules 36(b). Only the bids submitted on EPAD shall be considered
7. Manual bid received through by hand/post/courier/email/fax shall NOT be accepted.
8. Method of selection will be the least cost basis in line with section 3(c) of the PPRA Regulations of Consultancy Services Regulation 2010. The Financial Bid should contain a lumpsum figure, inclusive of all charges, taxes and out of pocket expenses. Conditional bids shall not be accepted;
9. In case of any technical difficulty in using EPADS, prospective bidders may contact PPRA Team, Director MIS Room No.109, 1st Floor, FBC building Sector G-5/2, Islamabad. Contact Number 051-111-137-237
10. The audit firms that have conducted IFEM audits for the consecutive last ten (10) years shall not be eligible to apply.
11. Notification of the GRC constituted in terms of Rule-48 of PPRA rules, 2004 is provided on EPADS at <https://eprocure.gov.pk> and on <https://www.ogra.org.pk>.
12. OGRA reserves the rights to reject any or all the bids as per rule 33 of PPRA Rules, 2004.

Senior Executive Director (Finance)
Oil & Gas Regulatory Authority (OGRA)
Plot No. 37,39 Mauve Area Sector G-10/4, Islamabad.
Ph. 051-9108891-98

OIL AND GAS REGULATORY AUTHORITY
Plot No. 37,39 Mauve Area, Sector G-10/4, Islamabad.

BID DOCUMENTS

**SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT
EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)**

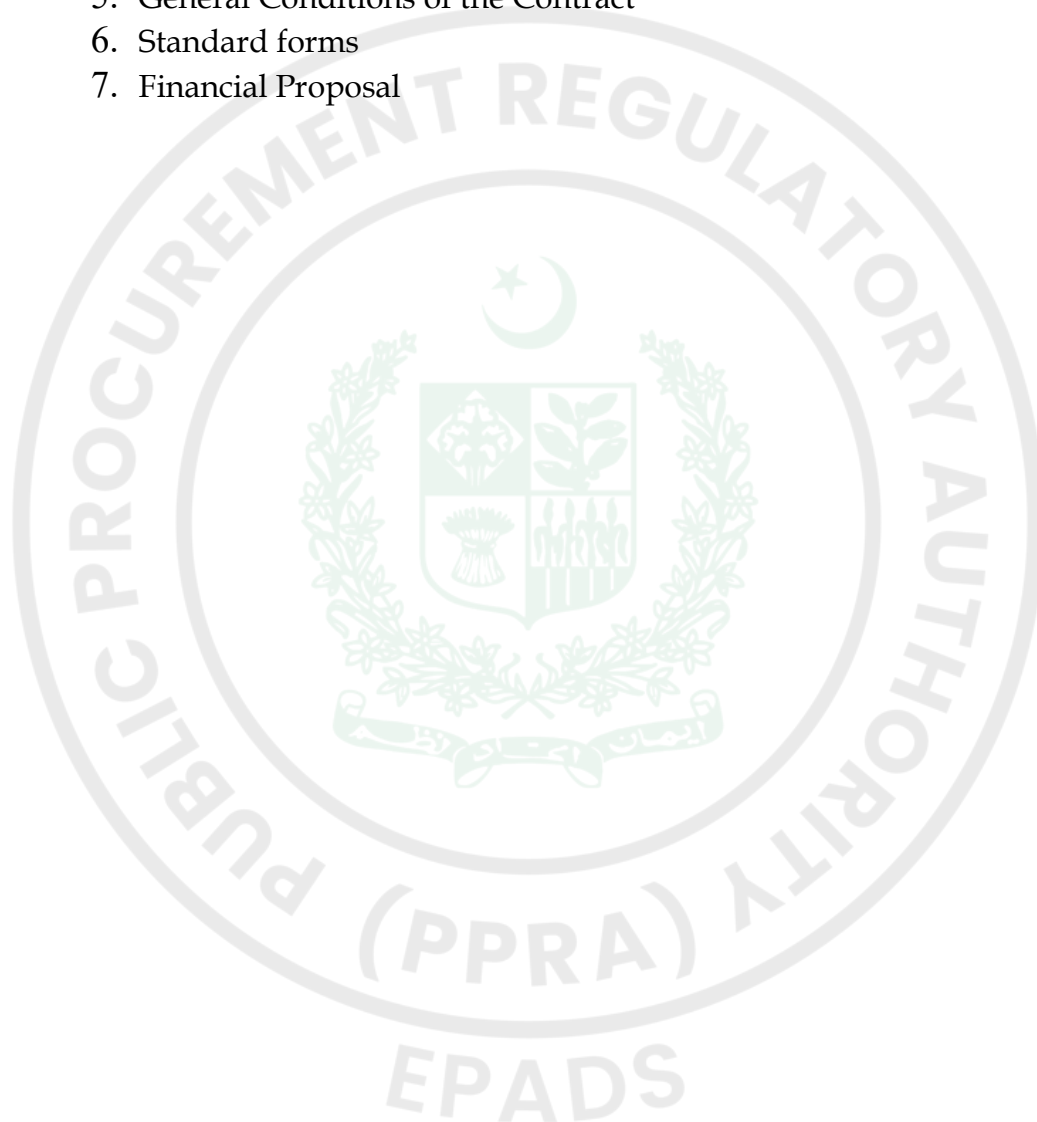
Head Office:

Plot No. 37,39 Mauve Area, Sector G-10/4 Islamabad, (051) 9108890-98

(PPRA)
EPADS

CONTENTS

1. Check list Performa
2. Instruction to bidders
3. Evaluation Criteria
4. Term of Reference (TOR)
5. General Conditions of the Contract
6. Standard forms
7. Financial Proposal



Check list of Documents

**SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT
EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)**

Name of Audit Firm	
Address of Audit Firm (Telephone, Cell, Fax & E-mail)	
Year of Establishment	
Sales Tax Registration No. (attach documentary evidence)	
NTN No. (attach documentary evidence)	
QCR Rated Audit Firm (attach documentary evidence)	
ICAP Registration No. (attach documentary evidence)	
(Annual Turnover supported by Income Tax Return) F.Y 2023-24, 2024-25.	
Banker's Name & Contact Details	
Experience related to similar assignments	
Whether bid security of Rs. 500,000/- is enclosed with Proposal	Yes: _____ No: _____
Assignments completed	
Assignments in Hand (Current)	
Latest Affidavit (that the Audit firm has not been blacklisted by private, Govt., Semi Govt. and Autonomous Body etc. and is not involved in any litigation throughout the country)	Yes: _____ No: _____
Contact Person: Contact No. _____ Date: _____	_____ <i>Name & Designation</i> <i>Authorized Signature & Stamp</i>

INSTRUCTIONS TO BIDDERS

1. The Audit firms declared blacklisted or debarred by any local procuring agency and/or foreign country, international organization, and/or other foreign institutions are not eligible to apply. The Applicant to provide the latest undertaking in the form of an affidavit to the above effect prepared after publication of the advertisement, along with the technical proposal.
2. Interested audit firm must provide detailed CV(s) of member(s) of core teams (to be verified) highlighting relevant experience. Each audit team shall comprise of at least one (01) lead partner having minimum 10 years post qualification experience supported by a team of minimum 1 qualified professional accountant as Team Manager and at least 10 working Professionals reporting to team managers.
3. The instant Tender Notice is for the IFEM audit for FY 2024-25 and FY 2025-26. The Authority may however consider to engage the services of the auditor for next financial year 2026-27 on the same terms and conditions.
4. Method of selection will be the least cost basis in line with section 3 (c) of the PPRA Regulations of Consultancy Services Regulation 2010. The Financial Bid should contain a lumpsum figure, inclusive of all charges, taxes and out of pocket expenses. Conditional bids shall not be accepted.
5. The bidder should submit an electronic bid on EPADS under single stage, two envelopes, showing the Tender Notice No. 10-12(17) of 2026.
6. The bidder shall be required to submit a Bid Security of Rs. 500,000/- along with Proposal in the form of **Pay Order** in favour of OGRA, payable at Islamabad.
7. Any bid not accompanied by the required value of Call Deposit shall be rejected.
8. The bid validity period will be Six (06) months, starting from the date of opening of technical bids. The rates quoted by the bidder shall be final & fixed and no payment or adjustment on account of inflation/escalation will be paid by OGRA and no such claim from the bidder will be entertained.
9. Bids, which are not accompanied by the requisite documents mentioned at above Clauses shall be declared non-responsive and their proposals will be returned unopened.
10. The Bid Opening Committee will open the proposals of bidders on a date and time communicated as per Tender Notice, in the presence of the bidders or their authorized representatives, who may like to be present.

11. The Successful Bidder should be required to deposit a "Performance Security" equivalent to 10% of the total value of the quoted amount through a Bank Guarantee in favor of OGRA payable at Islamabad. If the bidder fails to deposit the Performance Security within one week of the receipt of the award of the contract, the same shall be treated as cancelled and security money already deposited by the bidder shall be forfeited by OGRA.
 12. The proposals should not have any over-writings or cutting. The bids with any of the deficiencies may not be considered.
 13. The Audit firm must attach Original and latest undertaking/ Affidavit on judicial paper that the Audit firm has not been blacklisted by any Government, Semi-Govt., Autonomous body or any state-owned organization.
 14. Before submission of bid, all bidders are advised in their own interest to read carefully the terms & conditions of the tender documents and attach legible copies of all documents/ pages etc. with their respective bids / proposals.
 15. The Audit firm/bidder will certify that they have read and completely understood the bid Notice as well as the Terms & conditions of this Tender/ Bidding Documents including Evaluation Criteria, Proposal & etc. and hereby accept the same unconditionally.
 16. In case, the last date of submission of bids falls on closed official day(s)/ holiday(s), the date for submission & opening of the bids shall be the next working day.
 17. OGRA reserves the right to reject all bids as per Rule 33 of PPRA Rules, 2004.
-

**SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT
EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)**

EVALUATION / ASSESSMENT CRITERIA

The technical qualification proposals will be evaluated as per the following criteria: -

Evaluation Criteria		FY the Peroid FY 2024-25 & FY 2025-26
Description	Points Assigned	Criteria Description
1 Profile of Audit firm and the team		
a. Organizational structure of the firm and presence of the firm in major cities of pakistan	10	Points Bifurcated: Organisational Strength 7 Points: No. of the Partners: Above 10= 7 points. Partners 8-10= 5 points. Partners 5-7 = 3 point, Partners less than 5 = 2 point Firms Presence:. 3 Points: having presence at Karachi, Lahore and Islamabad= 3 points. Presence: in one city = 1 Point.
b. Permanent Manpower Strength (subject to evidence to be enclosed)	10	Strength above 250= 10 Points. Between 175-250 = 8 points. Between 75-175 = 5 points. Less than 75= 3 points
c. The minimum composition of the team(s) which will be deployed to complete the assignment in due time (subject to evidene)	30	5 Partners (Minimum 10 Years post Qualification Experience) one as focal/engagement partner. Each Team Composition: 1 Partner (Minimum 10 Years Post Qualification Experience) + 01 Manager (Qualified Accountant) + 10 Audit Associate /Team Members. 5 teams = 30 Marks. In case of 4 Teams = 24, In case of 3 Teams = 18 Marks. Less than 3 Teams = No qualified. 1.Further, no team member shall be replaced during the audit process without the prior consent of OGRA.
d. Firm Turnover (Evidence to be enclosed)	10	Firm Turnover over Rs. 500 million = 10 Points. Between 250-500 million = 7 Points, Less than 250 million = 5 points.
Sub-total marks	60	
2 Relevant experience of Organization		
a. Total work experience of the firm in undertaking audit assignments	5	Experience in number of years: Firm experience > 20 years = 5 Marks. Firm experience between 15-20 years = 3, Firm Experience < 10 Years = 0
b. Total overall exposure and competency of the firm in undertaking jobs relating to statutory audit in oil sector (Summary to be enclosed)	10	Atleast 3 audits in each year of oil sector during last three years, of the companies with revenue over Rs 10 bn=10 Marks. Accordingly, the numbers shall be proportionately assigned
c. Specific experience of the firm in undertaking the special assignment.	5	Firm audit experiene specific to special assignment during last twenty years shall has been considered. Minimum 5 Years= 5 Marks.
Sub-total marks	20	
3 Work Protocol		
a. Comprehensive approach /timelines for completion of assignment	10	Audit timelines - deployment of resource vs activities performance timelines. This shall require the strategy/ sequence of the audit activities to be performed to complete the audit.
b. Complete methodology highlighting critical milestones	10	Methodology for risk assessment= 2 Points Data analytic techniques=2 Points Audit sampling methodology=3 Points.,Use of advance software and standards for risk assesment=3 Points
Sub-total marks	20	
TOTAL	100	
NOTE: Minimum requirements for technical qualification shall be 70 points.		

Audit for Next Financial Year

- The Authority may consider to engage the service of the Auditor so appointed to carry out the audit for the next financial year 2026-27 on the same terms and conditions.

TERMS OF REFERENCE (TOR)
SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT
EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)

1. IFEM Audit of Oil Marketing Companies (OMCs)

1.1 The IFEM audit with respect to OMCs will cover the following:

Sr. #	Name of OMC	Abbreviation	Office Location
1	Pakistan State Oil Company Limited	PSO	Karachi
2	Wafi Energy Private Limited	WEPL	Karachi
3	Attock Petroleum Limited	APL	Rawalpindi
4	Parco Gunver Limited	PGL	Karachi
5	Gas and Oil Pakistan Private Limited	GO	Lahore
6	Hascol Petroleum Limited	HPL	Karachi
7	Be Energy Limited	BEPL	Karachi
8	Puma Energy Pakistan Private Limited	PUMA	Karachi
9	Cnergyico Pakistan Limited	CPL	Karachi
10	Pak Arab refinery Limited (Pearl Parco) Limited	Pearl Parco	Karachi
11	Taj Gasoline Private Limited	TGPL	Karachi
12	Euro Oil Private Limited	EPPL	Lahore
13	Flow Petroleum Limited	FPPL	Lahore
14	Hi-Tech Lubricant	HTLL	Lahore
15	Vital Petroleum, Lahore.	VPPL	Lahore
16	Zoom Petroleum Limited	ZPPL	Lahore
17	Zoom Marketing Oils Private Limited	ZMPL	Lahore
18	My Petroleum Private Limited	MPPL	Lahore
19	OTO Pakistan Private Limited	OPPL	Lahore
20	OILCO Petroleum Private Limited	OILCO	Lahore
21	The Fuelers Private Limited	TFPL	Lahore
22	Al-Noor Petroleum Private Limited	ANPPL	Lahore
23	JINN Petroleum Private Limited	JPPL	Karachi
24	Allied Petroleum, Lahore.	APPL	Lahore
25	Askar Oil Services, Lahore.	AOSPL	Lahore
26	Oil Industries Pakistan Pvt Ltd, Karachi.	OIPPL	Karachi
27	Horizon Oil, Lahore.	HOPL	Lahore
28	Quality1 Petroleum, Islamabad.	QPPL	Islamabad
29	Exceed Petroleum, Islamabad.	EPPL	Islamabad
30	Kepler Petroleum, Karachi.	KPPL	Karachi
31	Fast Oil, Karachi.	FOPL	Karachi
32	LaGuardia petroleum, Karachi.	LPPL	Islamabad
33	Fossil Energy, Karachi.	FEPL	Karachi
34	Max-Fuel, Karachi.	Max-Fuel	Karachi
35	Echo Oil, Islamabad.	EOPL	Islamabad
36	Benzin Petroleum, Lahore	Benzin	Lahore
37	Petro Pakistan, Lahore	PPPL	Lahore
38	Eco Gasoline, Islamabad	EGPL	Rawalpindi
39	Khyber Petroleum Private Limited	KPPL	Lahore
40	Pure Petroleum Private Limited	Pure	Lahore
41	Lucky Petroluem Private Limited	Lucky	Karachi
42	Alhmdali International Pvt Ltd	Alhmd	Lahore
43	HG Petrol Private Limited	HG Petro	Rawalpindi
44	Best Petroleum, Lahore. (Not commenced Business)	BPPL	Lahore

2. Scope Of Audit

2.1 The scope of this Audit will cover two financial years (i.e. from July 1, 2024 to June 30, 2025 and July 1, 2025 to June 30, 2026), in respect of each OMC listed above. For the purpose of this audit, Auditor will prepare two reports covering the period July 2024 – June 2025 and July 2025 – June 2026. The scope for the audit of the statements of surplus/deficit in the freight pool for the above said period would be as follows:

- i. To ensure that the surplus/deficit in the freight pool is determined by the net volume of equalized products (HSD, MOGAS, SKO, LDO) purchased during the period from various supply sources. This treatment should be in line with the mechanism followed by the OMCs for inter-company freight settlement of differential between the notified IFEM and respective noted cost(s) which is also based on the net volume purchased by the OMCs.
- ii. To ensure that IFEM recovery used in the statement of surplus/deficit in the freight pool would be based on the net volume purchased by the OMCs and not on the IFEM actually collected on the subsequent sale of the inventory.
- iii. To ensure that the primary transportation cost is determined by applying an average transportation cost per liter of each product moved during the period on the net volume purchased. The cost actually incurred on the subsequent movement of closing inventory is not to be considered as it is not ascertainable and the difference between the estimated and actual cost is not likely to be material.
- iv. To ensure that the extra margin recovered by OMCs (other than PSO) on accounts of local purchases of Motor Gasoline (Mogas) & High-Speed Diesel (HSD) has been passed back to the consumer through IFEM.
- v. To ensure that the operational gains and losses incurred by OMCs on account of Mogas and HSD movement through the pipeline have been computed based on actual data as per the laid down mechanism and recovered through IFEM.
- vi. To ensure that the line fill financing cost incurred by OMCs on account of Mogas and HSD movement through the pipeline have been computed based on actual data as per the laid down mechanism and recovered fully through IFEM.
- vii. To ensure that the actual amount of Premium on HSD imported by OMCs has been fully recovered.
- viii. To ensure that the disallowed unadjusted/unclaimable sales tax on capital and operating expenses (disallowed input tax) during the fiscal year 2024-25, owing to change from zero to exempt regime) have been audited by the Auditors engaged by respective OMCs/refineries and accordingly accurately claimed based on the audited figures and recovered from IFEM.
- ix. To ensure products are moved to deficit supply envelope (south, mid, or north), after first utilizing the product available locally in the supply envelope, as provisionally allocated to them in PRM/PMP. The remaining deficit volume would then be moved from the next nearest supply source.
- x. To ensure that all primary and secondary freight (SFA) payments/settlements (including sales tax) via road movements have been made after verification of:
 - Physical Reporting data – in case of non-compliance freight shall be disallowed (for primary movements only).

- Tracker reports– In case of non-compliance freight shall be disallowed. Due consideration shall be given to the factors beyond OMCs' control/inherent limitation, if substantiated by the auditee.
- xi. To ensure that all special area secondary freight payments/settlements have been made after verification of Tracker Reports- in case of non-compliance freight shall be disallowed. Unpaid freight charges and/or accrued freight charges shall be disallowed. Freight is to be allowed only if paid.
- xii. To verify that the MOGAS input considered for WOP is aligned with the approved weightage/percentage of supply share (up-country movement of total volume – local plus import) as computed in the PMP/IFEM meetings. In the event of non-compliance, the following treatment shall apply:
- Where the total import volume of the OMC during the financial year is equal to or exceeds the WOP input volume calculated on the basis of the approved percentage, no road freight cost shall be allowed to WOP associated deficient volumes.
 - Where the total import volume of the OMC during the financial year is less than the WOP input volume calculated on the basis of the approved percentage, road freight cost shall be allowed only to the extent of the deficient volumes.
 - Where the OMC has no import during the financial year, road freight cost shall be fully admissible.
 - Any instance of non-compliance not covered above shall be referred to Oil and Gas Regulatory Authority (OGRA) along with the auditor's observations and recommendations for review and decision.

Note: The WOP disallowance shall be calculated on annual basis. The surplus balance of the WOP input at the close of a financial year (FY 2023-24), if any, shall be carried forward and adjusted in the subsequent period.

- xiii. To analyse that the product physically reported/locally moved at a depot location is duly aligned with the corresponding aggregated pump-wise and industry sales associated with that depot's supply envelope. In the cases where the sales volume of a retail outlet at a depot's supply envelope in rural areas or in the SFAs (i.e., outside the territorial jurisdiction of a metropolitan city, municipal corporation, cantonment, DHA, Bahria Town, ICT, Motorway, Askari Housing, etc.) is exceeding 180,000 Liters per month per pump per product, the month wise statement of such retail outlet sales shall be prepared and reported separately.
- xiv. To review all adjustments/deduction made by OGRA during the year in the monthly IFEM meeting (as communicated in Minutes of Meetings) or as per OGRA's directives / letters and reflect the same in the report 'statement of surplus/deficit'.

2.2 In the scenario where export of regulated fuel is made from a deficit supply envelope it is mandatory that first the local demand of supply envelope is met from the fuel available locally. After meeting the local demand, the remaining local fuel can then be used for exports. In case regulated fuel has to be moved from the next nearest supply source to meet the export customer demand the

transportation cost involved in moving the regulated fuel from the next nearest supply source to the deficit supply envelope should not be charged to the freight pool.

- i. In order to meet this objective, exports will only be made from supply sources specified by Oil and Gas Regulatory Authority (OGRA).

PSO's HSD import cost differential.

- i. To ensure that the import cost differential pertaining to HSD cargoes for PSO as computed vide OGRA letter dated 19.5.2026 has been adjusted against PSO's noted cost in accordance with Ministry of Energy (Petroleum Division) letter No. PL-3(457)/2026-86 dated April 17, 2026 and fully reimbursed in IFEM.

PSO's Cost Data:

- ii. Statement of PSO's HSD import cost actually incurred and recovered through IFEM and the surplus/deficit generated therein, said surplus/deficit should be included in the surplus/deficit in the freight pool. This is with reference to the MoE directives through letter No. PL-(457)/2026-86 dated April 17, 2026.

3. Record to be Prepared by the OMCs

3.1 The statements to be prepared by the OMCs for the purpose of the audit shall be in accordance with the auditors' requirements and shall include, but not be limited to, the following;

a) OMCs' Cost Data

3.2 Each OMC will prepare and provide the following:

- i. A statement of surplus/deficit in the freight pool, on the auditor' prescribed format, duly signed by the authorized representatives of the OMC showing product-wise IFEM recoveries, noted cost, adjustments and the transportation costs incurred (as defined in Clause 1.12, 1.13 and 1.14 of the FPSM Operating Manual) and the surplus/deficit generated in their freight pool pertaining to primary transportation costs during the period under review.
- ii. Further to the point (ii) above, the OMC, for each financial year, shall prepare month wise statement of total volume of Mogas moved from south to north from all sources and shall calculate the quantity prescribed for WOP input based on the minutes of the meeting of the respective period.
- iii. Statement of differential cost impact in respect of all movement made through alternate/unapproved route.
- iv. Statement of Transportation Cost in respect of secondary freight for designated special freight areas separately.
- v. A comparative statement (yearly and month-wise) showing, for each depot location, the actual quantities of products transported from each source to destination through each mode, vis-à-vis the quantities budgeted at the time of IFEM determination. In case of any significant variation, the concerned OMCs shall provide detailed justification.
- vi. A month-wise aggregated sales statement of each product at each depot location, indicating the number of petrol pumps served, total aggregated sales

of pumps and other customers, average sales per pump per month, products physically reported, and sales per pump per month in relation to the respective depot's supply envelope. In case of any variation between physically reported and locally moved quantities vs sales of all customers (including product transfer to depots), or any inconsistency in the monthly sales pattern per pump on an overall basis, the concerned OMCs shall furnish adequate justification.

- vii. Statement of Extra Margin earned and passed back through IFEM and the surplus/deficit generated therein, said surplus/deficit should be included in the surplus/deficit in the freight pool. Statement of Extra Margin should not include any short recovery of Margin.
- viii. Extra Margin for the purpose of understanding is explained as the additional margin, if any, earned by an OMC other than PSO, computed as the difference between PSO's weighted average cost and ex-refinery price of a specified product.
- ix. Statement of Mogas/HSD Pipeline Gains/Losses incurred and recovered through IFEM and the surplus/deficit generated therein, said surplus/deficit should be included in the surplus/deficit in the freight pool. Statement of Mogas/HSD Pipeline Gains/Losses should not include any short recovery of Losses.
- x. Statement of Line fill financing cost incurred and recovered through IFEM and the surplus/deficit generated therein, said surplus/deficit should be included in the surplus/deficit in the freight pool.
- xi. Statement of HSD Premium actually incurred and recovered through IFEM and the surplus/deficit generated therein, said surplus/deficit should be included in the surplus/deficit in the freight pool.
- xii. Quantitative statement of product-wise exports made from specific sources.
- xiii. A statement showing adjustments made against primary transportation based on adjustments/reductions/deductions/disallowances on various accounts made by OGRA during the period.
- xiv. The statement showing product-wise movements that are not in accordance with the physical reporting requirement/tracker report requirement/supply source integrity / approved mode of transportation.
- xv. A statement showing the status of receivable/payable related to Inter-Company Freight Settlement at the closing date of each audit period i.e 30 June 2025 and 30 June 2026.

Note: Format for the provision of the above-mentioned data, for the sake of uniformity, will be discussed and agreed upon with the Auditor in an onboarding session / pre-audit commencement meeting held between the Auditor, OMCs and OGRA.

b) Audit Test Procedure

- 3.3 In respect of the statement of surplus/deficit in the freight pool relating to primary transportation costs, the auditors will perform the following procedures on a test basis;
- i. Checking the net volume of equalized products purchased by the Company during the period with the quantities reported in the monthly intercompany freight settlement reports and matching the quantities mentioned in these reports with the invoices of refineries / import documents (Bill of Lading, Goods Declaration etc.).
 - ii. Re-computing the primary transportation costs on volume purchased by applying the average transportation cost per liter of product moved during the period on the net volume purchased. The average transportation cost per liter is calculated with reference to quantities moved during the period. These are determined through a calculation based on percentage of net purchases to total quantity of product transferred to an installation (including net purchases), where any, and total product quantity moved out. In the absence of any transfers from other installations, the quantity moved out is taken as the actual quantity moved out from the installation. The adequacy of the average transportation cost rate will be checked by checking the quantities moved with the available product movement records and the product transfer documents duly acknowledged by the recipients and the cartage contractors.
 - iii. Re-computing the 'Secondary Freight Cost' in respect of Special Areas.
 - iv. The costs of the product moved by road will be checked with the payments of cartage bills (including sales tax) raised by the cartage contractors based on the approved transfer documents and applying the Oil and Gas Regulatory Authority (OGRA) notified road transportation rates. The destination mentioned on each transfer document will be taken as the place at which the products covered by this advice were delivered and the distances to these destinations were traced on a test basis with the approved IFEM sheet.
 - v. The costs of the product moved by rail will be checked with the payments of bills raised by Pakistan Railways based on the approved transfer documents and applying freight rates notified by Pakistan Railways.
 - vi. The volume and costs of the product moved by pipeline will be checked with the payments of bills raised by PAPCO / PARCO based on the approved transfer documents and applying freight rates notified by PAPCO / PARCO and approved by OGRA.
 - vii. Ensuring that export volumes and the related transportation cost is not included in the net volume purchased and the primary transportation cost respectively. In case the product is exported from an unapproved location the transportation costs related to such exports will be deducted from the transportation costs charged to the freight pool on the basis of the average transportation costs from all the modes incurred on the product.
 - viii. Re-computing the IFEM and noted costs relating to the Company by applying the notified rates to the net volumes purchased from refineries and imports.
 - ix. Checking the status of closing balance of receivable/payable related to Inter-Company Freight Settlement of the OMC on financial year end.

- x. Verification that a comparative statement (monthly and yearly), showing for each depot location the actual quantities of products transported from each source to destination through various modes, vis-à-vis the quantities budgeted at the time of IFEM determination, has been correctly prepared, and that the product quantities are fully reconciled on an end-to-end basis.
- xi. Verification that the month-wise statement reflecting the number of petrol pumps, total sales made to retail outlets and industrial consumers, average sales per pump and sales per pump per month, in respect of Mogas and HSD associated with the respective depot's supply envelope, has been correctly prepared and appropriately analyzed.
- xii. Checking the supply envelope integrity i.e. checking that the product has been moved to a destination from an approved source.
 - In case a product has been moved from an incorrect or alternate source to a destination, without approval from OGRA, the respective OMCs shall be allowed the minimum approved cost for the destination while the incremental cost of this movement will be borne by the respective OMC itself and will not be charged to the freight pool.
 - In the case of back freighting, the complete cost of movement will be borne by the respective OMC.
 - The approved source destination combination movement (product-wise) within the country is given in Table 1; costs related to movements not covered in Table 1, which are allowed in the OMC's PMP OR for which specific approval by OGRA is available with the respective OMC should also be allowed.
- xiii. Checking that the correct mode of transportation has been used in moving the product from source to destination. In case an expensive mode of transportation has been used, without approval from OGRA, the incremental cost will be borne by the respective OMC and will not be charged to the freight pool.
- xiv. Checking that input of Mogas in WOP is in line with percentage/weightage defined in IFEM Meetings; the calculations will be based on the aggregate input volume of Mogas into WOP and will be reconciled with the PAPCO statement (PAPCO to provide this statement). In case the input of Mogas has been lower than the defined percentage/weightage, the same shall be treated in accordance with para 2(xii).

Table 2: Fortnight-wise Mogas WOP input allocated in PMPs (attached)

Note: WOP disallowance volumes shall be computed on annual basis, based on the actual upcountry total supplies/WOP input volumes as computed by PAPCO.

WOP input = Total volume moved from all source in the upcountry (*excluding Volume transported in Keemari+ Daulatpur+ Khuzdar+ *Quetta*) x WOP %

WOP deficient/surplus Volume = WOP input Required Volume as per above formula - WOP Actual Volume moved via pipeline

WOP Disallowance = Shall be applied to the extent of import volumes.

***Note:** Quetta is fed from Shikarpur as well from Keemari. The statement should be prepared accordingly.

- xv. The Auditor shall also use the “Actual Transportation Cost Certificate” and “Actual Sales Certificate” vs list of Retail outlets with address being submitted by OMCs and available at OGRA website for checking the supply source integrity.
- xvi. The Auditor shall evaluate for the reimbursement of differential freight cost in case the product is moved from an unapproved /alternate route.

• **Table 1: Product-wise table of approved source-destination combination (attached)**

Notes:

- i. For the purpose of IFEM Audit (testing the Physical Reports and SOPs, Tracker Reports, Supply Envelope integrity, wrong source destination, Lead time, mode of transportation used etc’), testing will be performed based on samples determined, however, doubled, in respect of the following depots:
 - ❖ Quetta
 - ❖ Taru Jabba
 - ❖ Chak Pirana
 - ❖ Machike
 - ❖ Sahiwal
 - ❖ Juglot
 - ❖ Sihala

In respect of Juglot and Special Freight Area, there would be 100% data population to be test.

- ii. In the event of exceptions identified in the sample size per the audit methodology, the auditors will increase the sample size to arrive at the best estimate of the total error in the population based on an extrapolation of the sample results.
- iii. Lead Time issues
 - Working days shall be considered only.
 - Lead time shall consider the journey time and accordingly shall be calculated from the actual exit/ dispatch of load and shall end as the TL enters in the radius (5 KM) of destination (Reporting date shall not be included in the lead time).
 - Uncontrollable factors including restrictions Hrs in the cities on HTV movements, law and order situation (based on evidence) shall be given consideration.
 - In cases where lead time is exceeded due to factors beyond operational control—including but not limited to road blockages caused by floods, landslides, protests, law and order situations, vehicle breakdowns, or similar unforeseen circumstances—such delays shall not be treated as non-compliance or lead time expiry, based on the tangible evidence.

Unadjusted/Unclaimable Sales Tax of OMCs for FY 2024-25 & its Recovery in FY 2025-26:

- i. To ensure that the verified/valid unadjusted/unclaimable sales tax on capital and operating expenses (disallowed input tax) arisen during the fiscal year 2024-25 have been accurately claimed and recovered from IFEM through OMC noted cost and settled as per the directives given by the OGRA, starting reimbursement from May 2025 – March 2026, under IFEM meeting issued from time to time.
- ii. The respective OMC's portion of the sales tax adjustment (Surplus/Deficit) adjusted in the respective noted cost of the OMCs, this needs to be actualized against their valid claims. Report on the status of over/under recovery from IFEM mechanism during the period.

c) Refinery Freight (IFEM)

- 4 Each OMC shall prepare and provide a statement of surplus/deficit in the refinery IFEM duly signed by the authorized representatives of each OMC, showing product-wise IFEM recoveries, refinery freight incurred and the surplus/deficit generated in their freight pool pertaining to refinery freight during the year under review.

In respect of the statement of surplus/deficit in the refinery IFEM, the auditors will perform the following procedures:

- i. Checking the net volume of equalized products purchased by the OMC during the period with the quantities reported in the monthly intercompany freight settlement reports and matching on a test basis the quantities mentioned in these reports with the invoices of the refineries/import documents (Bill of Lading, Goods Declaration, etc).
- ii. Ensuring that the net volume purchased does not include volumes exported by the OMC, if any.
- iii. Checking the costs incurred by the OMC on account of IFEM relating to the refineries with the invoices raised by the refineries.
- iv. Re-computing the IFEM and noted costs relating to refineries by applying the notified rates to the net volumes purchased from the refineries.

d) IFEM recoveries

5. Each OMC will prepare a statement of recoveries in accordance with clause 4.4 (summation of computation under sub clause 2 and 4 of clause 4.4) of the FPSM manual de-classified into:
 - i. OMCs IFEM
 - ii. Refinery IFEM

e) Computation of Surplus/Deficit

6. Following shall be particular part of the Audit report;

- i. Surplus/Deficit in the Freight Pool of each OMC will be the difference between the OMC's noted cost relating to OMC's freight cost and attributable transportation cost by applying on average transportation rate to net volume purchased.
- ii. Surplus/Deficit of Refinery IFEM of each OMC will be the difference between the OMC's noted cost relating to refinery freight and the refinery freight paid.
- iii. Overall surplus/deficit shall be the sum of totals of 6 (i) and d (ii) above.

IFEM Audit of Refineries

- 1 The Audit with respect to Refineries will cover the following:
 - i. Pak Arab Refinery Limited (PARCO)
 - ii. Attock Refinery Limited (ARL)
 - iii. National Refinery Limited (NRL)
 - iv. Pakistan Refinery Limited (PRL)
 - v. Cnergyico Pk Limited formerly BYCO Pakistan Private Limited (CPL)

- 2 The scope of work for refineries and is outlined below:

1) PARCO

3 The Refinery Freight of PARCO is based on its various claims from Freight Pool as specified in the Ministry of Petroleum and Natural Resources Letter No. PL-3(471)/2001 dated June 29, 2001, PL-3(434)/2011 Vol XII dated May 31, 2011 and letter No. PL-3(434)/2011 dated September 17, 2011. The Refinery Freight of PARCO which is notified by OGRA contains the recovery of following claims of PARCO from Freight Pool:

A. PARCO'S PRICE DIFFERENTIAL CLAIM (PDC) OF REGULATED PRODUCTS RECOVERED FROM FREIGHT POOL

4 The refinery will prepare the statement of surplus/deficit in the recovery of Price Differential Claim in accordance with the approved mechanism specified in the Ministry of Petroleum and Natural Resources Letter No. PL-3(471)/2001 dated June 29, 2001 and letter No. PL-3(434)/2011 dated May 31, 2011. PARCO's PDC is calculated (Kerosene Oil only) as the difference between its entitled price (Import Price Parity as defined in the Implementation Agreement (IA) signed between the Government of Pakistan (GOP) and Emirates of Abu Dhabi (EAD) and the Ex-Refinery price announced periodically by the Oil and Gas Regulatory Authority (OGRA) for the identical period, on sales of regulated products. In respect of the statement of surplus/deficit in the price differential, the auditors will perform the following procedures:

- Checking the volume of equalized products sold by the refinery during the period with the volume reported in the monthly intercompany freight settlement reports compiled from the product upliftment data received independently from the refinery and OMCs.

- Matching the volume mentioned in the intercompany freight settlement report with the volume shown on the invoices of the refinery.
- Checking the computation of the entitled price based on the formula mentioned in Annexure VIII of the Petroleum Policy 1994 and as provided in the IA between the GOP and EAD.
- Checking the computation of the Inland Freight Equalization Margin (IFEM) recovered by applying the rates of PDC recovery, as notified by OGRA, on the volumes sold.
- Auditor to provide Surplus/(deficit) position of PARCO's IPP Claim for the period.

B. PARCO'S CRUDE OIL TRANSPORTATION COST RECOVERED FROM FREIGHT POOL

5 The refinery will prepare the statement of surplus/deficit in the recovery of PARCO's Crude Oil transportation cost claim from Karachi to Mehmood Kot (KMK) on a proportionate basis on equalized products (HSD, MOGAS, and LDO excluding SKO) in accordance with the approved mechanism specified in the Ministry of Petroleum & Natural Resources Letter No. PL-3 (434)/2011 dated September 17, 2011, and ECC decision dated 21 March 2014. Crude Oil Transportation Cost claim on a proportionate basis for any given month is calculated for various MCR products by applying their proportionate share in MCR production to transportation cost incurred by MCR in moving the Crude oil by KMK Pipeline. As per the ECC decision dated August 07, 2012, PARCO crude transportation claim on HOBC was excluded from October 01, 2012. Further, ECC vide its decision dated March 21, 2014 approved the reimbursement of crude transportation cost to PARCO on HSD. In respect of the statement of surplus/deficit in the Crude Oil Transportation Cost claim, the auditors will perform the following procedures:

- Checking the crude oil quantity transported through the pipeline from Karachi to Mehmood Kot and receipt at Mid Country Refinery on a monthly basis.
- Checking the prevailing pipeline tariff from Karachi to Mehmood Kot (KMK).
- Checking the production of various products by Mid Country Refinery (MCR) on a monthly basis.
- Checking the computation of Crude Oil Transportation cost claims on a proportionate production slate basis of Equalised Product (MOGAS, HSD, LDO) excluding SKO
- Checking the volume of equalized products sold by the refinery during the period with the volume reported in the monthly intercompany freight settlement reports compiled from the product upliftment data received independently from the refinery and OMCs.
- Matching the volume mentioned in the intercompany freight settlement report with the volume shown on the invoices of the refinery.
- Checking the computation of the Inland Freight Equalization Margin (IFEM) recovered on equalized products by applying the rates of Crude Oil Transportation Claim recovery, as notified by OGRA the volumes sold.

- Auditor to provide Surplus/(deficit) position of PARCO's Crude Oil Transportation claim for the period.

2) ARL

A. ARL'S CRUDE FREIGHT

6 The refinery will prepare the statement of surplus/deficit in the freight pool in accordance with the approved mechanism provided in the Ministry of Petroleum and Natural Resources Letter No. PL-3(471)/2001 dated June 29, 2001. ARL is entitled to claim transportation expenses incurred on conveyance of crude petroleum from the southern region to its refinery, for processing of regulated products (as defined in clause 1.13 of FPSM). The surplus/deficit is calculated as the difference between recoverable IFEM and actual transportation cost.

7 In respect of the statement of surplus/deficit in the freight pool, the auditors will perform the following procedures on a test basis:

- Checking the volume of equalized products sold by the refinery during the year with the product uplift reports prepared by the refinery and also match the quantities mentioned in these reports with the invoices raised by the refinery.
- Matching the volume mentioned in the uplift reports with the volume shown on the invoices of the refinery.
- Checking the computation of the IFEM on the net volume sold by applying notified rates to these volumes.
- In respect of the crude moved by road, check the quantities moved from the suppliers' invoices and delivery advices duly acknowledged by the recipients and the cartage contractors. The costs of crude moved by road will be checked with the payments of the cartage bills raised by the cartage contractors based on the approved delivery advices and applying the agreed road freight rates and after accounting for the deductions admissible under the agreements with the contractors.
- In respect of movement by pipeline, check the quantities moved with the delivery advices duly acknowledged by the recipients. The costs of the crude moved by the pipeline will be checked with the bills of pipeline operator for pipeline freight which included the charges for the minimum quantity billed under the take or pay clause of their agreement with the pipeline operator.
- The recovery of freight cost from the suppliers in accordance with the Ministry of Petroleum and Natural Resources Letter No. DGO-D.S (16)/98 dated February 22, 2000 will be checked with the payments received based on the notified rates of transportation.
- The closing inventory of crude oil and finished products will be checked with the inventory records of the refinery. The cost attributable to the closing inventory of finished products will be recomputed by applying the average freight cost per liter of crude purchased during the year to the estimated volume of crude oil required to produce this inventory based on the average yield ratio.
- Ensuring that the cost of unregulated products is excluded from the total transportation cost calculated -on the basis of average yield ratios as per directives

of Ministry of Petroleum and Natural Resources, contained in their letters No.PL-3(471)/2001 dated March 20, 2002 and No.PL-3(457)/2007 dated July 20, 2007.

- The average yield ratio of crude oil to the regulated products will be recomputed based on the refinery provided data of volume consumed of crude oil and the volume of the regulated products produced therefrom during the year ended.

3) Cnergyico

A. BYCO'S SPM OPERATIONAL COST RECOVERY FROM FREIGHT POOL

8 The refinery will prepare a statement of operational cost recovery of **BYCO's Single Point Mooring (SPM)** claim considering only for regulated products on a proportionate basis in accordance with the approved mechanism specified in the ECC decision No. 216/26/2020 dated 3rd June, 2020, Ministry of Energy (PD) Ref. letter No. PL-Ref 1(2)/2020 (Byco SPM) dated 22nd June, 2020 and in light of policy guidelines of MoE(PD) issued vide No. PL-3(457)/2021 Vol-74 dated 3rd June 2022.

9 Cnergyico is allowed the reimbursement lower of the operational cost of Single Point Mooring (SPM) (excluding wharfage/FOTCO charges/Crude saving) or the Parco rate through IFEM on proportionate production slate basis on Equalised Products (MOGAS, HSD, SKO, LDO).

10 SPM operational cost allocation will be calculated for equalised products by applying their proportionate share in **total Crude intake** for any given fortnight/month incurred for SPM.

11 In respect of statement of surplus/deficit in the operational cost claim, the auditors will perform following procedures:

- i) Checking crude oil quantity transported through SPM pipeline on a monthly basis with supporting documents i.e. GD Note, HDIP report, surveyor report, custom documents etc.
- ii) In case multiple batches of pumping from one vessel, Time log & quantity statement of each lot should be checked, time log and statement of quantity of each parcel shall be duly signed and stamped by the ship surveyor and applicant surveyor as well.
- iii) Checking the total operating cost of SPM per ton & compare with that of PARCO Rate to calculate deficit/surplus as considered by Federal Government/competent Authority from time to time.
- iv) The expense head not covered as operating cost as per relevant IAS will not be considered as SPM operational cost.
- v) Checking the applicable volume of each lot/shipment in shore tanks received quantity or BL quantity whichever is less. Report of refinery daily feed/throughput and its production.
- vi) Checking the production of various products by BYCO (Cnergyico) on monthly/fortnightly basis.
- vii) Checking the computation of SPM operational cost claim based on production basis.
- viii) Analytical review of expenses included in SPM operational cost with respect to its mathematical accuracy, relevance and reliability.

- ix) Auditor to provide the statement of SPM operational cost claim for the periods.

4) HSD Sulphur Differential

12 MP&NR vide its letter No. PL-3(457)/2020 dated 17 November 2020 had advised that Refineries which are not producing HSD 0.05% Sulphur will have to deposit the surplus differential between PSO's Import price less ocean losses (which was fixed as Ex-Refinery price) and IPP price as per the formula specified in above letter, to IFEM to pass on the benefit to the consumer.

13 During the audit period following Refineries were not producing HSD 0.05% Sulphur:

- Cnergyico Pk Limited
- Pakistan Refinery Limited

14 The refineries will prepare the statement of surplus in accordance with the approved mechanism provided by the Ministry of Petroleum and Natural Resources through the above-mentioned letter. In respect of the statement of surplus/ deficit, the auditors will perform the following procedures on a test basis:

- Checking the volume of HSD sold by the refinery during the year with the product uplift reports prepared by the refinery and also match the quantities mentioned in these reports with the invoices raised by the refinery.
- Matching the volume mentioned in the uplift reports with the volume shown on the invoices of the refinery.
- Checking the computation of IPP Price as per specified formula.
- Checking the computation of surplus on the net volume sold and ensuring that in case of deficit the Refineries claim shall be treated as NIL.
- Checking the payments made against HSD Price Differential with the amount approved by OGRA.

5) HSD Premium Differential

15 OGRA vide its letter ref: OGRA-10-12(06)/2021 dated May 09, 2022 has provided ECC approved mechanism for recovery of premium differential on HSD.

- Checking the volume of HSD sold by the refinery during the period with the product uplift reports prepared by the refinery and also match the quantities mentioned in these reports with the invoices raised by the refinery.
- Matching the volume mentioned in the uplift reports with the volume shown on the invoices of the refinery.
- Checking the computation of premium differential as per specified formula.
- Checking the computation of premium differential sold on the net volume sold.
- Checking the payments made against HSD Price Differential with the amount as approved by OGRA.

6) Mogas RON Differential Surplus

16 MPNR vide its letter ref: PL-9(544)/2015 dated September 05, 2016, had advised mechanism of pricing for Refineries producing Mogas below 92 RON and advised to pass on the differential to the consumer. Mogas pricing based on 92 RON was initiated effective December 1, 2016, accordingly surplus was generated from the same date.

17 During the audit period following Refineries were not producing Mogas 92 RON:

- Attock Refinery Limited
- National Refinery Limited
- Pakistan Refinery Limited
- Cnergyico Pk Limited

18 The refineries will prepare statement of surplus in accordance with the approved mechanism provided by the Ministry of Petroleum and Natural Resources through the above-mentioned letter. In respect of the statement of surplus the auditors will perform the following procedures on a test basis:

- Verification of the RON of Mogas produced by Refinery on a monthly basis, through test reports.
- Checking the volume of Mogas sold by the refinery during the year with the product uplift reports prepared by the refinery and also match the quantities mentioned in these reports with the invoices raised by the refinery.
- Matching the volume mentioned in the uplift reports with the volume shown on the invoices of the refinery.
- Checking the computation of Mogas 92 Ron differential as per specified formula.
- Checking the computation of surplus on the net volume sold.
- Checking the adjustments/payments made against Mogas RON Differential with the amount allocated by OGRA.

7) Refinery Regulatory Duty

19 ECC in its meeting dated 8th July 2015, considered and approved the reimbursement of Regularity Duty paid by Refineries on imports of Crude Oil to the extent as it is attributable to production of regulated product (viz MOGAS, HSD, SKO, LDO, JP-1, JP4, JP8 & LPG) and as reduced by the recovery made on account of Regularity Duty at 2.5% on HSD and 10% on MOGAS in the sale price of said regulated products. Refinery shall retain the remaining regularity duty on HSD as refinery margin.

20 Refineries who sign an upgrade agreement under the Brownfield Refinery Policy 2023 shall deposit the Regularity Duty at 2.5% on HSD and 10% on MOGAS recovered in sale price into Escrow Account established under the said policy instead of offsetting it against the custom duty paid on crude oil. However, Regularity Duty more than 10% on HSD and MOGAS if imposed shall continue to be surrendered to IFEM i.e. offset against custom duty paid on crude oil.

21 The refineries will prepare a statement of surplus in accordance with the approved mechanism provided by the Ministry of Petroleum and Natural Resources through the above-mentioned letter. In respect of the statement of surplus, the auditors will perform the following procedures on a test basis:

- Verification of crude import volumes and payments of customs/regulatory duty paid during the period.
- Checking the consumption of crude oil and yields of all petroleum products.
- Checking that regulatory duty allocated to petroleum products is in line with the weightage of the actual yield of petroleum products.
- Re-computing the amount of custom/regulatory duty recovered from OMCs by applying rate of custom duty as notified in the applicable price on volume sold to OMCs during the period.
- Checking the product-wise under/over recovery of custom/regulatory duty.
- Checking the adjustments/payments made against customs/regulatory duty with the amount allocated by OGRA.

8) Refinery Unadjusted/Unclaimable Sales Tax

22 To ensure that the unadjusted/unclaimable sales tax on capital and operating expenses (disallowed input tax) suffered during the fiscal year 2024-25 have been accurately claimed and recovered from IFEM through an PSO noted cost and settled as per the directives given by the OGRA.

9) Custom Duty on crude oil under Brownfield Refinery Policy, 2023 (Policy)

23 Refineries who have signed Upgrade Agreement with OGRA under the Policy will prepare a statement stating month wise position of custom duty claim (under clause 6.1.2.1 of the Policy) containing information for crude imports and custom duty paid therein with total amount of claim and adjustment/reimbursements provided by OGRA during the period, the auditor will perform the following procedures on a test basis:

- Verification of crude import volumes and payments of customs duty.
- Allocation of Custom duty as per production slate.
- Checking the adjustments/payments made against customs duty claim.

Deliverables

The auditors shall be required to submit

The comprehensive Audit reports for each OMCs and Refineries for 2 audit periods viz Jul-24 to Jun-25 and Jul-25 to June 26 and a consolidated report of all OMCs and Refineries for each audit period covering the following aspects.

- 1) A report on the surplus/deficit in the freight pool including disclosure of adjustments (recoveries or reimbursements) made by OGRA for the audit period as reflected in the statement of surplus/deficit in the freight pool prepared by each OMC.
- 2) A report on the surplus/deficit in the refinery IFEM including disclosure of adjustments (recoveries or reimbursements) made by OGRA for the audit period as reflected in the statement of surplus/deficit in the refinery IFEM prepared by each OMC.
- 3) A report on the extra margin earned by OMC and its adjustment against the freight pool and net surplus / deficit as reflected in the statement of extra margin earned by each OMC.
- 4) A report on surplus in refineries regulatory duty, recoverable from refineries, and its adjustment/offsetting under pricing mechanism/freight pool against OMC or refineries claim as decided by OGRA for the audit period.
- 5) A report on surplus/deficit in the PARCO price differential for the audit period as reflected in the statement of surplus/deficit in the price differential prepared by the refinery.
- 6) A report on the surplus/deficit generated in their freight pool pertaining to PARCO and ARL crude transportation costs for the audit period as reflected in their statement of surplus/deficit in the freight pool prepared by the refinery.
- 7) A report on the surplus generated and payments made with respect to HSD Price Differential and net surplus/deficit as reflected in their statement of HSD Price Differential by the refinery.
- 8) A report on the surplus generated and adjustments / payments made with respect to Mogas RON Differential and net surplus/deficit as reflected in their statement of Mogas RON Differential by the refinery.
- 9) A report on the HSD premium in respect of OMCs as per actual figures vs. recovered through OMCs.
- 10) A report on the MOGAS operational losses actually incurred/claimed by the OMCs vs. recovered through IFEM.
- 11) A report on the Line fill financing cost actually incurred/claimed by the OMCs vs. recovered through IFEM. Any discrepancies or any less claims shall be fully adjusted in the final audit report of this period.
- 12) A report on the 'disallowed sales tax claims' recovered through IFEM pertaining the period FY 2024-25.
- 13) The report on deductions/disallowances/ adjustment passed by OGRA during the audit period.
- 14) A report highlighting OMC wise movements that violate physical reporting requirement /lead time/ tracker report requirement / supply source integrity / wrong source destination/ approved mode of transportation by comparing

Actual Transportation Certificates with approved product movement plans and the impact of such movements on freight pool.

- 15) A report detailing exports made by OMCs and the associated transportation cost recovered from the export customer.
- 16) A report containing a comparative statement (monthly and yearly), showing the actual quantities of products transported from each source to destination across 23 locations through each mode, vis-à-vis the quantities budgeted at the time of IFEM/PMP determination, along with complete end-to-end reconciliation of products quantities. In case of variation, the Auditor shall express its opinion/observation/.
- 17) A report showing, on a month-wise basis, the number of petrol pumps, total sales made to retail outlets and industrial consumers and average sales per pump, in respect of Mogas and HSD associated with the respective depot's supply envelope. In case of any inconsistency or abnormal variation in sales patterns, the Auditor shall express its opinion/observation thereon.
- 18) A consolidated statement of surplus/deficit in the OMCs freight pool for transportation costs, recoveries under the FPSM scheme and the net surplus or deficit in the freight pool for the audit period.
- 19) A consolidated statement of surplus/deficit in the refinery IFEM outlining refinery costs, recoveries under the FPSM scheme and the net surplus or deficit in the refinery IFEM for the audit period.
- 20) A consolidated statement of surplus generated and payments made with respect to HSD Price Differential and net surplus/deficit for the audit period.
- 21) A consolidated statement of surplus generated and adjustments/payments made with respect to Mogas RON Differential and net surplus/deficit for the audit period.
- 22) A consolidated statement of surplus generated and adjustments/payments made with respect to Refinery Regulatory Duty and net surplus/deficit for the audit period. (Only for refineries who have not signed refinery upgrade agreement under the brown field refinery policy).
- 23) A consolidated statement of the status of receivable/payable related to Inter-Company Freight Settlement.
- 24) A consolidated statement pertaining to Special Area Secondary Freight in respect of OMCs.
- 25) A consolidated statement of custom duty payments and claimed along with adjustments/reimbursements provided by OGRA for the audit period.

Deliverables in respect of Cnergyico SPM

- 26) Total SPM Operating cost allowable & allocation on regulated product only as per MoE (PD) directives.
- 27) Report showing total SPM operating cost & comparison with PARCO pipeline tariff.
- 28) Consolidated net receivable/ payable report.

Duration of Audit

In order to ensure a timely and efficient audit process, following timelines have to be followed:

- OMCs/refineries are expected to provide the required data at the time of commencement of audit / deployment of audit team.
- The audit team is expected to provide draft Audit reports to the respective OMC/ Refinery and OGRA within 100 working days from commencement of audit.
- Each OMC/refinery is required to provide confirmation / observations on the draft Audit Reports provided by the Auditor within 15 working days of receiving them and the same shall be discussed with the Auditor. If the observations are not resolved, OGRA, upon request by the auditee, shall call a joint meeting of the Auditee and the Auditor for discussion and to streamline the process. Accordingly, the Auditor shall issue the draft final report.
- The auditor shall after receipt of the confirmation or 10 working days of joint meeting, as the case may be, shall issue the final draft report.

**Table 1: Product-wise table of approved source-destination combination
HSD**

Destination	Source	Mode
CTL	SIH	Road
JGT	SIH	Road
TJB	MCH via Road, SIH & MHK via Road or Rail	Road / Rail
KHT**	MHK, SIH	Road
SRNG*	MHK	Road
FAQ*	MCH, SIH	Road
SIH	ARL via Pipeline or Road, MCH via Road, MHK via Rail	Road / Pipeline / Rail
CPI	MHK via Rail, MCH via Road	Road / Rail
MCH	MHK, KMR	Pipeline
GAT/FBD	MHK, KMR	Pipeline
HBD*	MCH, GAT	Road
KND*	GAT	Road
KJM*	MHK	Road
SWL*	MHK, GAT	Road
MHK	MCR, KMR	Pipeline

SSH*	MHK	Road
VHR	MHK	Road
SKP	KMR	Pipeline
SNG*	SKP	Road
DLP*	KMR, BYCO/CPL, ENAR	Road
QTA	SKP	Road
KZD*	KMR, BYCO/CPL	Road
KMR	BYCO/CPL via Road, ENAR via Road	Road
ZOT/PQA	BYCO/CPL, ENAR	Road

* For OMCs having Depot at the location

** Kohat (KHT) depot was included as virtual depot in IFEM effective October 1, 2021

Mogas

Destination	Source	Mode
CTL	SIH	Road
JGT	SIH	Road
TJB	SIH, MCH***, MHK, KMR, CPL	Road/Pipeline
KHT**	KMR, BYCO/CPL, MHK, SIH	Road
FAQ*	SIH, MHK, KMR, BYCO/CPL, MCH***	Road
SRNG*	KMR, BYCO/CPL, MHK	Road
SIH	KMR, BYCO/CPL, MHK, SIH, MCH*** via Road ARL via Pipeline or Road	Road / Pipeline
CPI	KMR, BYCO/CPL, MHK, MCH***	Road
MCH	KMR, BYCO/CPL, MHK Via Road & Pipeline	Road / Pipeline
GAT/FBD	KMR, BYCO/CPL, MHK via Road & Pipeline	Road / Pipeline
HBD*	KMR, BYCO/CPL, MHK, MCH***, GAT***	Road
KND*	KMR, BYCO/CPL, MHK, GAT***	Road
KJM*	KMR, BYCO/CPL, MHK	Road
SWL*	KMR, BYCO/CPL, MHK, GAT***	Road
MHK	KMR, BYCO/CPL, MCR Via Road & KMR, MCR via Pipeline	Road / Pipeline
SSH*	KMR, BYCO/CPL, MHK	Road
VHR	KMR, BYCO/CPL, MHK	Road
SKP	KMR, BYCO/CPL, via Road & KMR via Pipeline	Road / Pipeline
SNG*	KMR, BYCO/CPL, SKP***	Road
DLP*	KMR BYCO/CPL,	Road
QTA	KMR BYCO/CPL, SKP***	Road
KZD*	KMR BYCO/CPL,	Road
KMR	KMR, BYCO/CPL, ENAR	Road

* For OMCs having Depot at the location

** Kohat (KHT) depot was included as virtual depot in IFEM effective October 1, 2021

*** Road movement from MCH, GAT & SKP allowed for product delivered at

MCH, GAT & SKP via Pipeline only
SKO

Destination	Source	Mode
CTL	SIH	Road
JGT	SIH	Road
TJB	SIH, MHK	Road
KHT**	SIH, MHK	Road
FAQ*	SIH, MHK	Road
SRNG*	SIH, MHK	Road
SIH	SIH, MHK	Road
CPI	SIH, MHK	Road
MCH	MHK	Road
GAT / FBD	MHK	Road
HBD*	MHK	Road
KND*	MHK	Road
KJM*	MHK	Road
SWL*	MHK	Road
MHK	MCR	Road
SSH*	MHK	Road
VHR	MHK	Road
SKP	KMR / CPL	Road
SNG*	KMR / CPL	Road
DLP*	KMR / CPL,	Road
QTA	KMR / CPL	Road
KZD*	KMR /CPL,	Road
KMR	KMR, /CPL	Road

* For OMCs having Depot at the location

** Kohat (KHT) depot was included as virtual depot in IFEM effective October 1, 2021

LDO

Destination	Source	Mode
JUG	SIH	Road
FAQ	SIH	Road
TJB	SIH	Road
SRNG*	SIH, MHK	Road
SIH	SIH	Road
CPI	SIH, MHK	Road
KND*	SIH, MHK	Road
FBD	MHK	Road
KJM*	MHK	Road
SWL*	MHK	Road
HBD*	MHK	Road
MHK	MCR	Road
MCH	MHK	Road
SSH*	MHK	Road
SKP	KMR/CPL	Road
SNG*	KMR / CPL	Road

DLP*	KMR / CPL,	Road
QTA	KMR / CPL	Road
KZD*	KMR /CPL,	Road
KMR	KMR	Road

* For OMCs having Depot at the location

Additionally, all virtual and physical depot locations be separately included in the IFEM Audit Terms of Reference (TORs) for the 2023-24 period;

Sr. No	Physical Depots	Sr. #	Virtual Depots
1.	Daulatpur	1.	Karachi
2.	Sanghi	2.	Shikarpur
3.	Shar Shah	3.	Mehmood Kot
4.	Kotla Jam	4.	Gatti - Faisalabad
5.	Kundian	5.	Machike
6.	Sahiwal	6.	Chak Pirana
7.	Habibabad	7.	Vehari
8.	Faqirabad	8.	Sihala/Chaklala
9.	Serai Nourang	9.	Tarujabba
10.	Khuzdar	10.	Chitral
		11.	Kohat
		12.	Quetta
		13.	Juglot

Table 2: Fortnight-wise Mogas (imported) WOP input allocated in PMPs

Period	Allocation
Jul, 2024 1st FN	45%
Jul, 2024 2nd FN	45%
Aug, 2024 1st FN	45%
Aug, 2024 2nd FN	45%
Sep, 2024 1st FN	50%
Sep, 2024 2nd FN	50%
Oct 2024 1st FN	50%
Oct 2024 2nd FN	50%
Nov 2024 1st FN	50%
Nov 2024 2nd FN	50%
Dec, 2024 1st FN	50%
Dec, 2024 2nd FN	50%
Jan, 2025 1st FN	50%
Jan, 2025 2nd FN	50%
Feb, 2025 1st FN	50%
Feb, 2025 2nd FN	50%
Mar, 2025 1st FN	50%
Mar, 2025 2nd FN	50%
Apr, 2025 1st FN	50%
Apr, 2025 2nd FN	50%
May, 2025 1st FN	50%
May 2025 2nd FN	50%
Jun 2025 1st FN	50%
Jun 2025 2nd FN	50%
July 2025 1st FN	50%
July 2025 2nd FN	50%
August 2025 1st FN	50%
August 2025 2nd FN	50%
September 2025 1st FN	50%
September 2025 2nd FN	50%
October 2025 1st FN	60%
October 2025 2nd FN	60%
November 2025 1st FN	60%
November 2025 2nd FN	60%
December 2025 1st FN	60%
December 2025 2nd FN	60%
January, 2026 1st FN	60%
January, 2026 2nd FN	60%
February, 2026 1st FN	60%
February, 2026 2nd FN	60%
March, 2026 1st FN	60%
March, 2026 2nd FN	60%
April, 2026 1st FN	70%
April, 2026 2nd FN	70%

May, 2026 1st FN	70%
May 2026 2nd FN	70%
Jun 2026 1st FN	70%
Jun 2026 2nd FN	70%



GENERAL CONDITIONS OF CONTRACT

1. **Communications**

All Communications related to the Contract shall be in English language.

2. **Statutory Obligations**

The Audit firm shall comply with all applicable laws of the Islamic Republic of Pakistan, including but not limited to the submission of required notices, payment of fees, taxes, and other statutory charges related to the Services.

3. **The Firm**

3.1 **General Obligations**

The Audit firm shall carry out their services properly and in accordance with the Contract as per detailed Scope of Work.

3.2 **The Firm's Representative**

The Audit firm shall appoint a representative or focal person of partner/manager level to act as liaison officer with the client. Such authorized representative may be substituted/replaced by the firm at any time during the Contract Period but only after obtaining the consent of the client as aforesaid. Besides above, other dedicated team members assigned for task/assignment shall not be replaced till the completion of the assignment. Moreover, the Audit firm shall not subcontract the whole or part of the assignment without the consent of the client (OGRA).

3.3 **Performance Security**

The Audit firm shall furnish to the client within seven (07) days after receipt of Letter of Acceptance a Performance Security at the option of the bidder, in the form of Bank Draft or Bank Guarantee for the amount and validity specified in Contract Date. Performance security shall remain valid 180 days beyond maintenance period.

4. **TIME FOR COMPLETION**

4.1 **Execution of the assignment**

The successful bidder/ Audit firm shall be bound to complete the assignment within (100) days from the date of receipt of letter to commence.

4.2 **Extension of Time**

The Audit firm shall, within such time as may be reasonable under the circumstances, notify the client of any event(s) falling within the scope of this Contract and request the client for a reasonable extension in the time for the completion of task/assignment. Subject to the aforesaid, the client shall determine such reasonable extension in the time for the completion of task/assignment as may be justified in the light of the details/particulars supplied by the Audit firm.

4.3 Late Completion

If the Audit firm fails to complete the assignments within the Time for Completion, the client may impose penalty as deemed appropriate and the Audit firm has no objection on it.

5. CONTRACT PRICE AND PAYMENT

Contract prices are Audit firm and fixed in lumpsum, no variation of escalation shall be permitted during the currency of the contract.

6. Terms of Payments

The schedule of payments is specified below:

Phase of Payments	Amount to be paid
Mobilization Advance- within 10 working days after signing this contract and engagement letter and submission of the performance guarantee	30%
2 nd tranche at the time of submission of a satisfactory Draft deliverable	30%
3 rd tranche at the time of submission of final deliverables	40%
TOTAL	100%

- Payments will be released after deduction of all prevailing taxes and other necessary deductions.
- Payment time will be twenty-one (21) days after submission of the bill.

7. DEFAULT

7.1 Default by the Audit Firm

If the Audit firm abandons the assignment, refuses or fails to comply as per TOR/scope of work and requisite deliverable or fails to proceed expeditiously and without delay, or is, despite a written complaint, in breach of the Contract, the client may give notice and stating the default.

If the Audit firm has not taken all practicable steps to remedy the default within seven (07) days after receipt of the client's notice, the client may by a second notice given within a further fourteen (14) days, terminate the Contract.

8. Proprietary Rights of the Working & Confidentiality

In addition to the "Deliverables" contained in the Terms of Reference, the entire working papers, basis, details of disallowances, computational workings, and information provided in the prescribed templates shall remain the exclusive proprietary property of OGRA. The Audit Firm shall submit the same to OGRA, in hard and soft form, as the case may be, whenever required and/or along with the submission of the final report.

8.2 The Audit Firm shall maintain strict confidentiality with respect to each audit entity (OMC/Refinery). Any information, record, data, or findings relating thereto shall not be disclosed to any third party except to the respective entity and OGRA, unless otherwise expressly permitted/authorized by OGRA.

9. Representation of the Firm

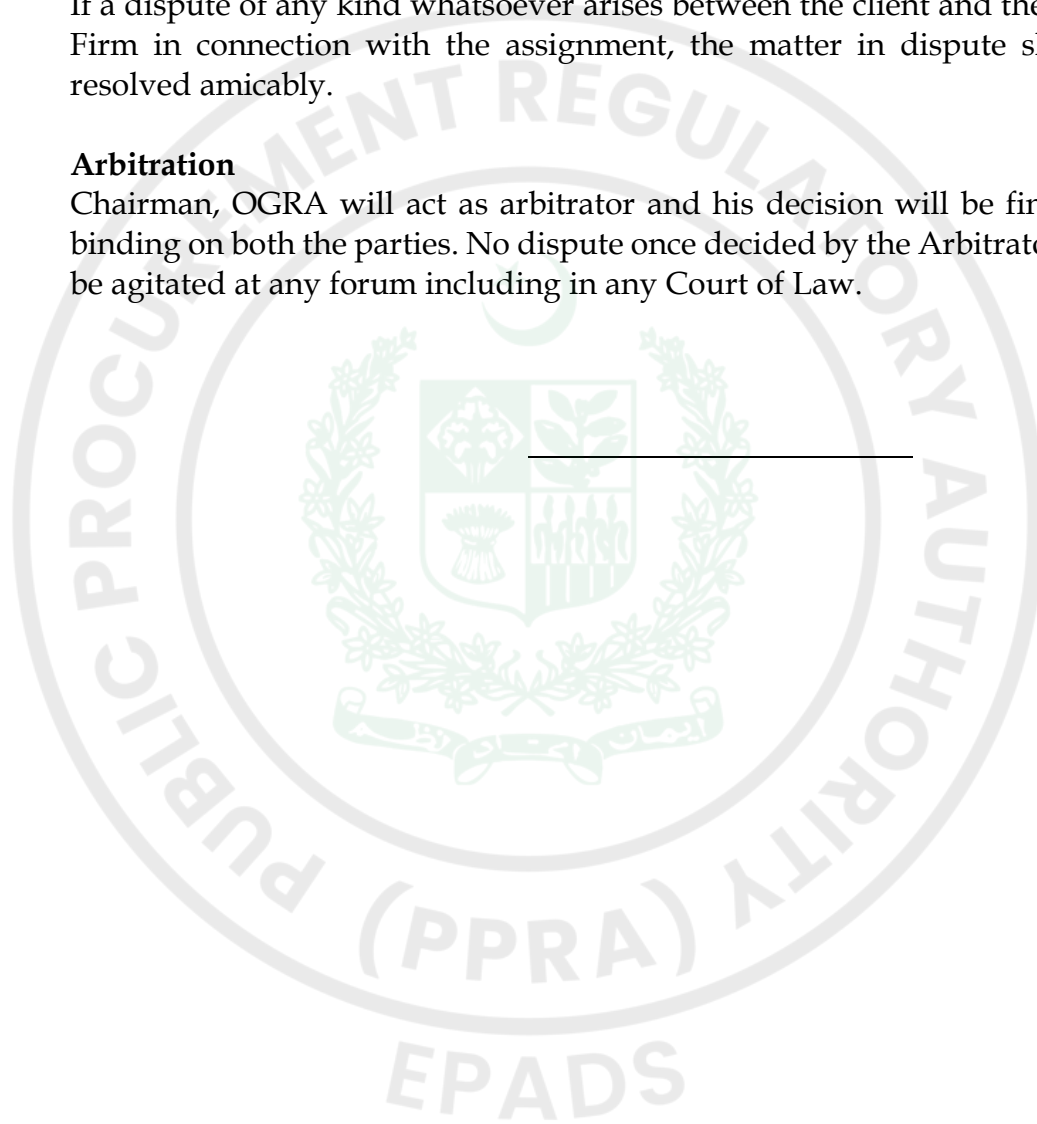
9.1 Further, the Audit Firm shall remain obligated, for a period of three (03) months from the issuance/submission of the audit report, to represent and assist before all relevant forums, including Federal organizations/authorities, with regard to the audit observations and findings, whenever so required by OGRA.

10. RESOLUTION OF DISPUTES

If a dispute of any kind whatsoever arises between the client and the Audit Firm in connection with the assignment, the matter in dispute shall be resolved amicably.

11. Arbitration

Chairman, OGRA will act as arbitrator and his decision will be final and binding on both the parties. No dispute once decided by the Arbitrator shall be agitated at any forum including in any Court of Law.



FORM OF CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT (hereinafter called the "Agreement") made on the __ day of _____ 2026 between _____ (hereinafter called the " the Client") of the one part and _____ (hereinafter called " the Audit Firm") of the other part.

WHEREAS the Client is desirous that certain services, viz _____ should be executed by the Audit Firm and has accepted a Bid by the Audit Firm for the execution and completion of such tasks and the remedying of any defects therein.

NOW this Agreement witnesseth as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents after incorporating addenda, if any except those parts relating to Instructions to Bidders, shall be deemed to form and be read and construed as part of this Agreement, viz:
 - (a) The Letter of Acceptance;
 - (b) Conditions of Contract;
 - (c) Terms of Reference (TOR) and Scope of Work;
 - (d) Proposal
3. The client hereby covenants to pay the Audit firm, in consideration of the execution and completion of the task/assignment as per provisions of the Contract, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have caused this Contract Agreement to be executed on the day, month and year first before written in accordance with their respective laws.

Signature of the Audit firm

Signature of the Client

(Seal)

(Seal)

Signed, Sealed and Delivered in the presence of:

Witness:

Witness:

(Name, Title and Address) (Name, Title and Address)

OIL AND GAS REGULATORY AUTHORITY

FINANCIAL PROPOSAL

**SELECTION OF AUDIT FIRM FOR THE AUDIT OF INLAND FREIGHT
EQUALIZATION MARGIN (IFEM) FOR FY 2024-25 AND 2025-26 (2 YEARS)**

(Financial Proposal/Bid)

Name & Contact No. of the Audit Firm: _____

Stamp of the Audit Firm: _____

