

JSC “Georgian Oil and Gas Corporation”(GOGC)



Tender Documentation

State Procurement of Service For Creation of Oil and Gas Operations Electronic Database

CPV72200000

1. Procurement Object

1.1 State procurement of service for the creation of oil and gas operations electronic database (hereinafter referred to as “service”) in accordance with attached Annex #1 of tender documentation (Technical provisions).

2 Documentation Confirming the Qualification Requirements of the Bidder

2.1 Documentation to be presented by the Bidder in accordance with the written request of the Purchaser uploaded in the electronic system:

2.1.1. Extract from the Registry of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities confirming the absence of liquidation/reorganisation/insolvency proceedings against the Bidder;

Note:

- Non-resident entities shall submit documents confirming qualification requirements issued by authorized body/bodies of their countries. Document(s) submitted shall be attached with notarized Georgian translation;
- Documents confirming qualification requirements shall be issued after the start of bids acceptance in the electronic tender; documents confirming qualification requirements for non-resident entities may be issued no later than 30 days before the start of bids acceptance in the electronic tender;
- In case the Bidder fails to submit documents confirming qualification requirements and/or submits non-compliant document(s) confirming qualification requirements, the tender committee shall disqualify the Bidder.

3 Terms and Place of Delivery of the Procurement Object

3.1 The Supplier shall deliver the service not later than 18 (eighteen) calendar month after signing the Contract;

3.2 Service shall be delivered at the following address: 21 Kakheti Highway, Tbilisi, JSC “Georgian Oil and Gas Corporation”.

4. Estimated Cost of the Procurement Object, Bid Price and Terms of Payment

4.1 Estimated cost of the procurement object shall be GEL 302580.00 excluding VAT;

4.2 In the Unified Electronic Procurement System (hereinafter referred to as “System”) the price of the bid shall be indicated in national currency (GEL) including all required expenses and taxes considered by Georgian Legislation, excluding VAT;

4.3 The price indicated by the Bidder in the respective field of the System shall be considered as the bid price;

4.4 The creation of electronic database envisaged by the tender partially represents intellectual service, therefore evaluation criteria and standard for the justification of the adequacy of pricing is hard to set. In case the final price specified by the lowest bid price Bidder in the system is lower than the estimated cost of the object of procurement by 20% or more, the tender committee considers it expedient not to demand justification of the adequacy of pricing and corresponding documentation from the Bidder.

4.5 Expenses not considered in the bid price by the Bidder shall not be reimbursed;

4.6 The Purchaser shall include the amount of VAT corresponding to the bid price in the cost of the Contract, if the Bidder by the moment of signing the Contract is VAT payer in accordance with the requirements of the Georgian legislation;

4.7 In case clerical errors such as reference to a wrong sum or multiplications, differences between verbal and digital expressions are made by the Bidder, the Purchaser shall give preference to the price that does not surpass the price indicated in in the respective field of the System;

4.8 The currency of the Contract signed with the awarded Bidder shall be Georgian National Currency (GEL);
4.9 Payment to the Supplier shall be made in GEL in the form of cashless payment, not earlier than 8 and not later than 10 business days, after submission of documents specified in the Contract and complete delivery of Service.

4.10 Upon Supplier's request advance payment may be effected as follows: the Purchaser shall transfer advance payment in an amount not exceeding 40% of total contractual value based on unconditional and irrevocable bank guarantee issued by banking institution on the amount similar to the advance payment amount to be transferred to the Supplier. Such bank guarantee shall be submitted in GEL and its validity shall exceed Service delivery deadline for at least 30 (thirty) calendar days. Guarantee shall be issued by a bank qualified B+ or higher Fitch international rating or equivalent. Bank Guarantee shall be submitted with consideration of substantial conditions defined in Annex #5 (Advance Payment bank Guarantee/draft);

5. Contract Performance Bank Guarantee:

5.1 In case, the total price (Including VAT) of the contract equals to or exceeds 200 000.00 (two hundred thousand) GEL, the winning Bidder shall submit unconditional and irrevocable bank guarantee in an amount of 5% of Contract price issued by banking institution for the purpose of contract performance securing, guarantee currency shall be GEL. Such bank guarantee shall be submitted before signing the contract and its validity shall exceed Service delivery deadline for at least 30 (thirty) calendar days. The bank guarantee issued by a commercial bank operating in Georgia must be submitted and in case the bank issuing the guarantee is not a commercial bank operating in Georgia, the bank issuing the guarantee should have the minimum rate "B+" of Fitch Rating or other equivalent international rating agency. Bank Guarantee shall be submitted with consideration of substantial conditions defined in Annex #6 (Contract Performance Bank Guarantee /draft).

5.2 In case, the final price specified in the system by the Bidder declared as a winner as a result of electronic tender is less than the estimated cost of the object of procurement by more than 20%, the winning Bidder shall submit an unconditional and irrevocable bank guarantee issued by a banking institution in the amount of 10% of the contractual price for the purpose of ensuring performance of the contract.

6. General provisions

6.1 The Bidder shall not be entitled to submit alternative proposal;

6.2 Each document/information created by the Bidder and uploaded in the System shall be stamped (if applicable) and signed by the authorized person (if applicable, authorization confirmation document shall be uploaded along with);

6.3 The State Procurement Contract draft is provided in the tender documentation (Annex #4 of). The terms and conditions may be adjusted in accordance of the bid by the time of signing the Contract;

6.4 All the Documents requested by tender documentation to be uploaded in the Unified Electronic System shall be submitted in Georgian. In case the documents are submitted in foreign language(s), it shall be accompanied by a notarially confirmed Georgian translation.

6.5 If a partnership is taking part in the tender, the Bidder shall be obliged to strictly follow the requirements of Article 10¹ of the "Rules for Conducting Simplified Electronic Tender and Electronic Tender";

6.6 Tender Documentation is completed in two copies in Georgian and English languages. In case of discrepancy between the Georgian and English versions, version in Georgian language shall prevail.

7 Information for Bidders

7.1 The purchasing organization shall be obliged to make respective clarification/explanation in connection with the Bidding Proposal and Documentation in a manner established by legislation, by means of Q/A module of the unified electronic system, upon the request of the Bidder;

7.2 Any correspondence/notifications between the purchasing organization and the Bidder are sent by means of a respective module of the system and correspondence/notifications without using the system are not mandatory. Correspondence/notifications shall be considered received upon their upload in the system;

7.3 The Bidder shall get explanations with respect to tender documentation in the apparatus of the tender committee: 21, Kakheti Highway, second floor, room 200, Tbilisi, Georgia, contact person: Mr. Jaba Guraspishvili (tel. +995 (32) 224-40-40 (extension – 220).

8. Requirements imposed on Bidders:

8.1 The Bidder shall have a working group with the following members:

8.1.1 The head of the group with at least 10 year-experience in the area of oil and gas exploration and production.

8.1.2 At least two geologists and two geophysicists with experience of work with oil and gas geological-geophysical archives in the former Soviet republics. From these members at least one geologist shall be a Georgian speaking person having English language competences and the other geologist shall have Russian language competences. Likewise, one Georgian geophysicist shall have English language competences and the other Russian language competences.

In order to meet the requirements it is possible to hire:

-One employee with both English and Russian language competences;

-One geologist and/or geophysicist of foreign origin having English and/or Russian language competences. In this case the Bidder shall be obliged to take into consideration hiring an interpreter/translator of Georgian origin with the knowledge of corresponding language in the working group.

8.1.3 A member specialized as programmer working in oil industry and/or a company (legal entity) having experience in programming in the field of oil industry.

9. Technical Documentation/Information to be uploaded in the System by the Bidder

9.1 Table of Prices – according to Annex #2;

9.2 Form of Requisites – according to Annex #3;

9.3 Information about the members of the proposed working group (considering the interpreter/Translator, if any) (clause 8.1);

9.4 CVs of the members of the proposed working group, verifying members' education (language competences) and experience, indicating time, companies they worked at and projects involved (clause 8.1);

9.5 In event of proposing a company (legal entity) having experience in programming in the field of oil industry, resume/presentation describing the activities of the company shall be presented (clause 8.1.3);

9.6 Written confirmation of the working group members for their participation in the implementation of Service to be procured under the Tender;

9.7 In the event of proposing a company (legal entity) having experience in programming in the field of oil industry, the Bidder shall provide document(s) verifying legal relations with the proposed company (such as a contract, agreement or equivalent document showing that the entity is willing to take part in the implementation of the Service to be procured under the Tender).

Annex #1 – Technical provisions

Service for creation of Oil and Gas Operations Electronic Database

I Objective

Creation of "Electronic Database" (EDB) in the sector of oil and gas exploration (geological-geophysical works, lab researches, drilling, etc.) and production, including the data bank (electronic archives) with respective software for using information contained there based on modern standards and requirements, in compliance with international practice.

II Task

- Creation of integrated electronic archives (scanning of non-digital data, text typing, digitization) and entering all digital data; to store all digital and non-digital oil and gas exploration and production data (primary field, scientific, analytical, statistical, etc.), in which this information will be sorted electronically and easily searchable;
- Implementation of demo electronic archive project (so-called "pilot project") through the case study of one of the priority License Blocks, which will be selected by the Purchaser, at the example of which the integrated electronic archives will be designed. The expected outcome of this demo project will be digitization and archiving of non-digital format data, as well as preparation of concept, methodology and procedures of electronic archiving of information and documents;
- Preparation of the procedures of use of electronic archives and all necessary instructions (to be submitted electronically as well as in printed form);
- Development the Technical Specification for the purpose of procurement of services for creation of software for use¹of data in the digital data archive based on which it will be possible to identify an experienced and specialized company creating the "Electronic Database".
- Issuance of recommendations on issues of functioning and management of electronic database

III Estimated Volume of Works to be implemented

The following is kept in the geological archives:

¹Detailed search: call of thematically related information; integration-manipulation with manipulative software; blocking information by user levels; update of materials with newly obtained information but with the opportunity to view as of the previous condition, mechanism of quality control and/or blocking of mistakes.

- Up to 2400 units of printed, scientific-technical and production activity reports of various volumes (averagely 100 pages each) with attached drawings, tables and other additional information;
- Up to 1350 deep (stratigraphic, parametric, exploration and operation) well history (averagely 100 pages each) and full sets of geophysical surveys (logs) performed in these wells in hardcopy format.

From contextual point of view, the following data are reflected in these materials:

- Geological maps drafted as a result of sectoral, large-scale geological planning by separate regions, zones, areas and their respective geological profiles;
- Results of field geological, geochemical, geophysical and other surveys (gravi-, magneto-seismic survey). The volume of seismic survey performed with various modifications equals to about 45 thousand meter long, including in the offshore zone – up to 15 thousand meter long;
- Results of planning and structural drilling performed on more than 100 prospective areas (up to 2300 wells of this category are drilled);
- Data collected about more than 80 prospective exploration areas: passports, geological and structural maps, exploration designs, exploration results etc;
- Data collected in the process of exploration and processing of the discovered 17 fields: geological structure, physical-chemical properties of productive layers and fluids, stocks, production dynamics, analysis of processing results etc.

Apart from the above, the information collected as a result of oil and gas operations carried out by contractor companies during the last 15-20 years was delivered to the State in hardcopy and/or electronic format. This information mainly contains results of field geophysical surveys (2D seismic survey - 9260 meter long; 3D – 1800 sq. km) and drilling of deep and small depth exploration and exploitation wells (107 wells).

Note: This is estimated volume of the work and in case the volume information is more than indicated herein, the Supplier shall not require additional payment.

IV. Activities carried out by the Supplier

The Supplier shall be obliged to ensure:

1. Background evaluation and analysis (amount of the data, their format, required material-technical means, availability of required human resources) and development of the general concept for EDB;
2. Onsite check of the list of geological-geophysical materials provided and kept by LEPL “State Agency on Oil and Gas” and the "Purchaser" and creation of the final list together with their representatives;

3. Preparation of recommendations for identification of the priority documents out of the available data (by –more urgent at the moment, less urgent and archive –categories) in agreement with the Purchaser;
4. Development of the Electronic Archives structure: categorizing of varying data according to their content, inter-relation or priorities within electronic folders
5. Development of the standard of titling for entry of information in the electronic archives considering the requirements existing in the sector;
6. At the first stage of creation of electronic bank of geological-geophysical data (“EDB”) (which this project represents), creation of a simple software/means for entry and search-recovery of materials existing in the electronic archives;
7. Determination of the priority data in hard copy format for the purposes of their further scanning and digitizing in agreement with the Purchaser;
8. Training a team specifically assigned by the Purchaser in data entering, calling and amending, as well as in various feasible manipulations;
9. Scanning, digitization of the materials required for the pilot project, preparation of the textual part with its resources, as well as ensuring participation of LEPL “State Agency on Oil and Gas” and the "Purchaser" in electronic archiving of priority materials using the human and technical resources available for them;
10. Drafting brief electronic texts for hardcopies of printed reports and documents, as well as informative tables for identification of varying documents, and standard patterns for entering the data into the archives;
11. For the purposes of monitoring the digitizing quality, periodical inspection of the uploaded material together with the Purchaser’s representatives;
12. Planning of the tasks to be completed, working out detailed schedules for their implementation and submission of periodic quarterly reports;
13. Determining schemes for providing information to the Electronic Archives and preparing recommendations;
14. Development of technical specifications and the draft Contract for identification of a company to create EDB (computer software and organizational structure to use the data in petroleum science); preparation of presentation on capacities of the software and the benefits to the users;
15. Elaboration of methodology for tender documentation discussion and evaluation in accordance with the procurement procedures, providing consultation work for the discussion of the Bidding proposals
16. Providing technical assistance at its own cost within 4 (four) calendar months upon signing the delivery-acceptance act;
17. Participation in development of electronic archive along with the specialists of Purchaser within 6 (six) month after signing the Contract;
18. Providing the Service with its own equipment and not to require additional software of technical equipment from Purchaser;

V. Experience of the Bidder:

Bidder shall have a working group with the following members:

- The head of the group with at least 10 year-experience in the area of oil and gas exploration and production.
- At least two geologists and two geophysicists with experience of work with oil and gas geological-geophysical archives in the former Soviet republics. From these members at least one geologist shall be a Georgian speaking person having English language competences and the other geologist shall have Russian language competences. Likewise, one Georgian geophysicist shall have English language competences and the other Russian language competences.

In order to meet the requirements it is possible to hire:

- *One employee with both English and Russian language competences;*
- *One geologist and/or geophysicist of foreign origin having English and/or Russian language competences. In this case the Bidder shall be obliged to take into consideration hiring an interpreter/translator of Georgian origin with the knowledge of corresponding language in the working group.*
- A member specialized as programmer working in oil industry and/or a company (legal entity) having experience in programming in the field of oil industry.

Annex №2 – Table of Prices

#	Procurement Object	Total Price (GEL, VAT excluded)	Total Price (GEL, VAT included)	Form of preferred Payment In accordance with clause 4.9 and 4.10 of Tender Documentation
1	2	3	4	5
1	Service for creation of Oil and Gas Operations Electronic Database			

note:

- Bidder shall fill in column 3 and 5 (if the Bidder is VAT payer, column 4 shall also be filled in);

By the signature below, I certify that I will carry out the obligations undertaken by me according to the provisions specified in Annex #1 (*technical provison*) of the tender documentation.

Signature, Stamp _____

Annex #3 -Requisites:

Legal form and name of Applicant:

Name and Surname of manager:

Legal and/or actual address of Applicant:

Identification code:

Applicant's telephone number:

E-mail address:

Service bank Name:

Bank Code:

Account Number:

Signature, Stamp ----- Date -----

Annex №4 - Draft State Procurement Contract

(The terms and conditions of the State Procurement Contract may be adjusted by the time of signing the contract, based on the negotiations between parties)

Tbilisi

_____ **2016**

JSC “Georgian Oil and Gas Corporation” (hereinafter referred to as “Purchaser”) represented by its -----
-----, on the one hand, and

on the other hand Ltd _____ (hereinafter referred to as “Supplier”) represented by its -----,

Whereas, Ltd. _____ is announced to be the successful Bidder with the price of GEL _____ excluding VAT in the tender NAT announced in accordance with Paragraph “1” of Article 3 of the “Law of Georgia on State Procurement”,

We agree on the following:

1. Subject of the Contract

1.1. The subject of this Contract is State Procurement of ----- (hereinafter referred to as “Service”) accordance with the terms of the Contract (CPV-----).

1.2. Service description, specifications and price are specified in Annex №... of this Contract, attached hereto and representing its integral part;

2. Obligations of Parties

2.1. The Purchaser shall be obliged to demand timely and complete performance of the obligations from the supplier;

2.2. The Purchaser shall be obliged to timely and completely pay the Supplier amount specified under this Contract;

2.3. The Supplier shall be entitled to demand the Purchaser provide duly and timely performance of obligations undertaken under the Contract provisions;

2.4. The Supplier is obligated to provide the Purchaser with flawless service and accompanied documentation under the Contract provisions;

3. Terms of Provisions of Service

3.1. The Supplier shall deliver Service within ----- after signing the Contract.

3.2. Acceptance Certificate shall be executed between the Supplier and the Purchaser upon Service delivery to the Purchaser that shall be signed by authorized persons of the parties.

3.3. The Purchaser shall be entitled to reject acceptance of low quality service or service delayed for more than 3 days and corresponding payment.

3.4. In case of absence of submitted request by the Purchaser the obligation of Service provision and payment shall not be effective,

4. Service Quality

4.1. The Supplier undertakes obligation that the quality of service shall meet the terms of the Contract as well as the standards and technical norms existing in the field;

5. Total Price of Contract and Payment

5.1. Total price of the Contract shall constitute GEL excluding VAT (if the Supplier by the moment of signing the Contract is VAT payer in accordance with the requirements of the Georgian legislation the Supplier shall be reimbursed VAT in the amount of GEL---after submitting the invoice);

5.2. For the payment purposes, the Supplier shall submit the following documentation(s):

- Acceptance Certificate (signed by both parties);
- Invoice (see clause 5.1 of the Contract).

5.3. Payment to the Supplier shall be made in Georgian National Currency Lari, in the form of cashless payment not earlier 8 and not later than 10 business days, after the complete delivery of service and submission of documents specified in the Contract.

5.4. If the Supplier in accordance with clause 4.10. of tender documentation requests advance payment, the Purchaser shall transfer such payment in an amount not exceeding ----% of total contractual value within 5 (five) business days once respective bank guarantee specified in article 6 of this Contract is submitted by the Supplier to the Purchaser.

5.5. For the purposes of advance recovery the amount of advance paid will be deducted from invoices submitted and the payment shall be made only for the rest of the amount.

6. Advance Payment Bank Guarantee (if applicable)

6.1. For the purpose of advance payment acceptance the Supplier shall submit to the Purchaser unconditional and irrevocable bank guarantee on the value of advance payment amount that shall be valid within 30 days after complete delivery of the service specified in this Contract. JSC "Georgian Oil and Gas Corporation" shall be indicated as Beneficiary in bank guarantee.

6.2. Bank guarantee specified in clause 6.1. here above shall consider bank's unconditional liability to reimburse complete amount of bank guarantee or part thereof upon Purchaser's first request.

6.3. Guarantee shall be issued by a bank qualified B+ or higher Fitch international rating or equivalent.

6.4. Upon Supplier's request, the Purchaser shall return the Supplier advance payment bank guarantee within 15 calendar days after complete provision of service

6.5. The Purchaser shall be entitled to apply advance payment bank guarantee specified in clause 6.1. in case the Supplier breaches provision under this Contract or fails to properly perform responsibilities imposed hereunder.

6.6. After acceptance certificate on partial delivery of goods is executed, the Purchaser shall inform advance payment bank guarantee issuer about advance payment bank guarantee reduction with respective amount.

6.7. In case of Contract termination the Purchaser shall be entitled to reimburse unrealized advance from advance payment bank guarantee.

7. Contract Performance Bank Guarantee

7.1 As a performance security Supplier shall submit to Purchaser unconditional and irrevocable bank guarantee in an amount of 5% from Contract value.

7.2. The validity of the bank guarantee provided by Supplier shall exceed Service delivery deadline for at least 30 (thirty) calendar days.

7.3. The bank guarantee issued by a commercial bank operating in Georgia must be submitted and in case the bank issuing the guarantee is not a commercial bank operating in Georgia, the bank issuing the guarantee should have the minimum rate "B+" of Fitch Rating or other equivalent international rating agency.

7.4. Purchaser shall be entitled to apply Contract performance bank guarantee specified in clause 7.1. If Supplier breaches provisions of this Contract or fails to perform properly responsibilities imposed hereunder without a need to prove or to show ground or reasons for the demand or the sum specified in the guarantee.

7.5. Payment effected under Contract performance bank guarantee shall not release Supplier from the liability to reimburse damage (loss) incurred by Purchaser due to Contract nonperformance or uncovered by guarantee amount.

7.6. If Supplier cannot manage to supply completely goods specified herein to Purchaser within 120 days following the signature of the Contract by both parties, then Supplier shall be responsible to extend Contract performance bank guarantee term within 5 calendar days in such a way that time period defined in clause 7.2 shall be secured.

7.7. JSC "Georgian Oil and Gas Corporation" (Purchaser) shall be indicated as beneficiary in Contract performance bank guarantees.

8. Responsibility and Non-performance of Contract Provisions

8.1. The Supplier guarantees that provided service shall meet the criteria specified in Articles 1 and 4 of the Contract

8.1.1. If the Supplier fails to provide the service meeting the criteria specified in article 8.1 of the Contract, the Purchaser shall be entitled to impose the Supplier to pay penalty in an amount of 100% of the value of the Contract, which shall be paid immediately but not later than 3 calendar days after written notification receipt by Supplier about fine imposture.

8.2. Non performance and/or breach of Contract provisions by the parties shall held them accountable to the Contract and to the rules specified by the applicable law.

8.3. In case of damage incurred to the Purchaser or the third party due to improper performance the Supplier shall be imposed to reimburse the damage.

8.4. Either party may request reimbursement of damage incurred due to nonperformance or improper performance of responsibilities of the other party.

8.5. In case of service provision delay or incomplete provision, the Supplier shall be imposed penalty in an amount of 0.1 % of delayed service price per each delayed calendar day. The Purchaser is entitled to deduct amount of during the payment.

8.6. In case the Purchaser delays payment, the Supplier is entitled to impose the Purchase penalty in an amount of 0.1% for each delayed calendar day.

8.7 In case of Contract termination/refusal to perform the Service the Supplier shall be imposed penalty in an amount of 5 % of the value of the Contract.

8.8. Penalty payment by the Supplier shall not release it, except in cases specified under Civil Code, from the responsibility to perform Contract provisions.

9. Exemption From Responsibilities

9.1. Parties shall be exempted from responsibilities for complete or partial non-performance if such non-performance is resulted from force-majeure circumstances (earthquake, floods, insurrection and other circumstances that are not under the control of the parties, it is impossible to foresee them and are considered to be force-majeure circumstances).

9.2. Party that is under force-majeure circumstances, shall immediately notify the other party about such circumstances and estimated term of its elimination. Otherwise, party shall not be exempted from responsibility for complete or partial nonperformance under the Contract.

9.3. Facts specified in written notification shall be certified by competent authority. Such certification shall not be necessary if facts are publicly known

9.4. Parties shall proceed responsibilities performance upon force-majeure circumstances elimination.

10. Provisions of Contract Inspection

10.1. The Purchaser or its authorized person shall be entitled to provide control of the Service;

10.2 Inspection group established by the Purchasing organization shall perform control over State procurement Contract and its annexes performance by the supplier.

10.3 Functions of inspection group shall be:

10.3.1. Proper control and surveillance of Service volume and quality and provision terms with the Contract requirements;

10.3.2. Service inspection prior to the signature of acceptance certificate and its rejection in case of low quality;

10.3.3. Performance of other powers for the purpose of effective performance of this Contract.

10.4. The Supplier shall be liable for reimbursement of any expenses related to revealed defect elimination and inspection.

11. Contract Amendments

11.1. Neither party hereto shall be entitled to alter the Contract provisions unilaterally.

11.2. Amendments shall not be affected if such alteration shall increase the Contract value for the Purchaser or shall deteriorate Contract provisions, except cases defined under article 398 of Civil Code.

11.2.1 Upon occurrence of cases defined under article 398 of Civil Code of Georgia, it shall be prohibited to increase Contract total value for more than 10%.

11.3. Any amendment to the Contract shall be executed in the form of written agreement, shall be attached to the Contract and shall constitute integral part thereto.

11.4. All amendments to the Contract shall be legally binding only upon parties signing thereon.

12. Entering into Force and Term

12.1. The Contract shall enter into force upon parties signing thereon and shall be valid till

12.2. Relevant provisions of the Contract shall remain valid until complete fulfillment of responsibilities undertaken by the parties.

13. Contract Termination

13.1. Parties may terminate this Contract mutually at any stage of its implementation upon agreement.

13.2. Either party may terminate the Contract unilaterally upon written notice to the other party if:

- a) Any party fully or partially breached the provision of the Contract;
- b) One of the parties of the Contract systematically breaches the provisions of the Contract;
- c) Upon occurrence of cases defined under article 398 of Civil Code of Georgia.

13.3. The Purchaser shall be entitled to terminate the Contract unilaterally at any stage of its implementation. The Contract shall be terminated in accordance with the term indicated in the written notice,

14. Dispute Settlement, Governing Law

14.1. Any dispute arisen between the parties shall be settled through amicable negotiations.

14.2. If the settlement is not reached, all disputable issues shall be discussed in the Courts of Georgia.

14.3. Contract is executed in accordance with the Legislation of Georgia and shall be interpreted under the Legislation of Georgia.

15. Final Provisions

15.1. The Contract is made up in 2 (two) identical specimens having equal legal capacity.

15.2. If any article, clause and/or provisions of this Contract are deemed invalid and/or void, this shall not affect validity of the remaining articles, clauses and/or provisions of the Contract.

15.3. Any communication between the parties required under the Contract shall be performed in writing via mail or through e-mail;

15.4. Neither party of the Contract is entitled to fully or partially delegate the powers specified in the Contract to the third party without a written agreement.

16. Requisites of the Pertis and signitures

Annex №5-Advance Payment Guarantee

Unconditional and Irrevocable Bank Guarantee Draft

Guarantor: Name of Issuer Bank

Principal: *Contractor's name*

Beneficiary: JSC Georgian Oil and Gas Corporation

We have been informed that the Contract (number and date of Contract) (hereafter "Contract ") was executed between the Principal and the Beneficiary, whereunder the Principal shall deliver/perform (name of object of procurement). The terms and conditions of the above Contract provide for advance payment in the amount of % of the entire cost of the Contract in case the Principal submits to the Beneficiary Bank Guarantee for the amount equivalent to the requested advance payment, i.e. (Amount in numbers and words) GEL.

Considering all the above, please be informed that in case the Principal fails to fulfill its obligations under the terms and conditions of the Contract, the Guarantor undertakes to reimburse to the Beneficiary any amount or amounts, but not more than (amount in numbers and words) GEL, without any refusal and appeal within 5 business days upon receipt to the first written request from the Beneficiary.

This Bank Guarantee shall become valid immediately upon after the advance amount – (amount in numbers and words) GEL is fully deposited by the Beneficiary into the Principal's account (account number) in (name of Bank/Branch).

*Validity period of the Guarantee: (specific date), Accordingly, this Guarantee shall be effective until the above date (inclusive). Any requests or claims proceeding from the above shall be received by the Guarantor prior to expiration of the validity period of the Bank Guarantee at the following address: (name of Bank/Branch, address) .

Reimbursement request submitted by the Beneficiary shall be signed by the authorized person and stamped in writing, specifying the requested amount in numbers and words.

The guarantee amount shall be reduced: a) on the basis of written notification of the Guarantor by the Beneficiary, specifying the amount to be reduced under the Guarantee; b) by the amount paid by the Guarantor under the Guarantee.

The Bank Guarantee shall be automatically revoked:

- When the validity period of the Bank Guarantee expires;
- In case of written waiver of the rights under the Guarantee by the Beneficiary and return of the original copy of the Bank Guarantee to the Guarantor.

Signature of Guarantors and Stamp

- Validity period of this Guarantee shall exceed the deadline of delivery of service stipulated by the Contract by 30 days.
- For non-resident bidders, the Guarantee can shall be submitted in foreign currency in accordance with the official exchange rate of National Bank of Georgia by the day of the deadline of bid submission.

Annex №6 - Contract Performance Bank Guarantee /draft

Unconditional and Irrevocable Bank Guarantee

Guarantor:
(Name of issuer Bank)

Principal:
(Contractor)

Beneficiary: JSC Georgian Oil and Gas Corporation (Buyer)

Tender Registration Number (SPA) -----

Bank has been informed that in accordance with the bid for the tender N undertook the responsibility to submit Performance Guarantee in *Buyer's* favour, amounting up to in order to cover the due fulfillment of *Supplier's* consequent contractual obligations.

In consideration of the aforesaid, we hereby guarantee and undertake at the first request of the Buyer, the *Bank*, hereby irrevocably and unconditionally, waiving all rights of objection, without the need to obtain a court sentence or *Supplier's* consent, to pay the *Buyer* the amount not exceeding, in 5 calendar days upon receipt of *Buyer's* duly signed and stamped first written demand indicating the amount to be paid in numbers and words stating that the *Supplier* is in breach of its contractual obligations without the need the *Buyer* to prove or show the grounds for the demand.

Bank's liability (insert the name of the bank) under this guarantee is valid until, consequently, any demand for the payment under this guarantee must be received by the *Bank* (*insert the Address*) on before abovementioned date after which this guarantee will automatically become null and void.

The bank guarantee is automatically terminated:

- After the expiration date of this guarantee;
- If the beneficiary refuses to use the rights under this guarantee and submits the written notification to the guarantor about refusal and returns the original Guarantee.

Signature and stamp of the guarantors'

- Validity period of this Guarantee shall exceed the deadline of delivery of service stipulated by the Contract by 30 days.
- For non-resident bidders, the Guarantee can shall be submitted in foreign currency in accordance with the official exchange rate of National Bank of Georgia by the day of the deadline of bid submission.