



საქართველოს ნავთობისა და გაზის კორპორაცია
GEORGIAN OIL & GAS CORPORATION

**REQUEST FOR PROPOSALS FOR PROVISION OF CONSULTANCY
SERVICES FOR 4TH CCGT FEASIBILITY STUDY
RFP #CCGT-01**

TABLE OF CONTENTS

SECTION 1. LETTER OF INVITATION	3
SECTION 2. INSTRUCTIONS	4
SECTION 3. PROPOSAL – FORM	13
SECTION 4. TERMS OF REFERENCE	15
SECTION 5. FORM OF CONTRACT	31

SECTION 1. LETTER OF INVITATION

December 24, 2019

1. Georgian Oil and Gas Corporation JSC (GOGC) invites proposals to select a contractor for provision of consultancy services for the preparation of the Feasibility Study for the fourth Combined Cycle Power Plant (CCGT) Project with approximate capacity of 250 (225-275)MW in the Gardabani area.
2. More details on the Project is provided in the Terms of Reference that is included in Section 4 of this Request for Proposals (RFP).
3. The rules and procedures for this selection are set out in Section 2 of the RFP - Instructions. This invitation is for a lump-sum fixed price based financial proposal payable in U.S. Dollars only.
4. This RFP is open to eligible companies only. A firm will be selected under the procedures described in this RFP. Firms are advised to review these instructions carefully.
5. The RFP includes the following documents:
 - Section 1 - Letter of Invitation
 - Section 2 - Instructions
 - Section 3 - Financial Proposal - Form
 - Section 4 - Terms of Reference
 - Section 5 - Form of Contract
6. Proposals must be submitted in electronic form no later February 14, 2020 18:00 (local time) at the following email address: gardabani4@gogc.ge.

SECTION 2. INSTRUCTIONS

Definitions

Unless otherwise provided in this Request for Proposals, capitalized terms shall have the following meanings. The submission of a proposal in response to this Request for Proposals indicates acceptance of the following terminology:

- (a) “Consultancy Services” means the Services to be provided by the Contractor in accordance with the Terms of Reference attached hereto as Section 4.
- (b) “Contractor” means any entity that may provide Consultancy Services under the Contract for which this RFP is issued.
- (c) “Contract” means the Contract signed by the Parties and all the attachments.
- (d) “Company” or the “Participant” means any private or public entity including an association of several companies (either joint venture, partnership or consortium), which responds to this Request for Proposal and submits a formal Proposal in response to this Request for Proposals and which may or may not be selected to participate in the procurement.
- (e) “RFP” means this Request for Proposal prepared for the selection of the Contractor.
- (f) “LOI” (Section 1 of this RFP) means the Letter of Invitation from GOGC addressed to Companies for submitting Proposals.
- (g) “Instructions” (Section 2 of this RFP) means this document which provides Companies with information needed to prepare a Proposal.
- (h) “Terms of Reference” means Section 4 of this RFP which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of GOGC and the Contractor, and expected results and deliverables.
- (i) “Proposal” means the Financial Proposal (with all requested attachments) submitted by the Companies.
- (j) “Day” means calendar day.

- (k) "Completion Date" means the date on which the Consultancy Services are fully provided by the Contractor. The Completion Date shall be specified in the Contract, but cannot be more than 180 days after signing of the contract.
- (l) "Feasibility Study" or the "Study" means the document including the assessment of the technical, financial and economic viability of the Project based on the Terms of Reference defined in this RFP.

1. Introduction

- 1.1 GOGC will select a Contractor from the eligible Companies who have submitted Proposals for provision of Consultancy Services. The selection will be in accordance with the selection rules described in this RFP.
- 1.2 Eligible Companies are invited to submit a Proposal as specified in this RFP for provision of Consultancy Services to be procured. The Proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected Contractor.
- 1.3 The draft Contract is provided in Section 5 of this RFP. GOGC and the selected Participant shall sign the Contract within 30 days after invitation to negotiate is sent to the selected Participant. For the avoidance of any doubts, each Participant acknowledges and agrees that the agreed Contract has to be essentially in the form of the Form of Contract included in Section 5 of this RFP and Participants are not entitled to request substantial modifications of the draft Contract. If selected Participant refuses to sign the Contract, GOGC will invite the Participant whose Proposal conforms with the requirements of this RFP and has the second lowest total price to negotiate a Contract or choose to terminate the RFP process and not enter into the Contract with any of the Participants.
- 1.4 Participants shall bear all costs associated with the preparation and submission of their Proposals and Contract negotiations. GOGC is not bound to accept any Proposal, and reserves the right to annul the selection process at any

time prior the Contract award, without thereby incurring any liability to any Company.

- 1.5 Participants' Proposals must remain valid for 90 days after the submission deadline (proposals shall be valid till April 30, 2020). During this period, Participants shall maintain the availability of professional staff nominated in their Proposals. GOGC will make its best effort to complete contract negotiations within this period. However, should the need arise, GOGC may request that Participants extend the validity of their Proposals. Participants who agree to such an extension shall confirm the availability of the professional staff nominated in the Proposal. Participants may also propose replacement staff in their confirmation of extension of validity that would be considered in the final evaluation. Participants are not obligated to extend the validity of their Proposals.

1.1 Conflict of Interest

GOGC requires that Participants provide professional, objective, and impartial advice and at all times hold the GOGC's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests. Without limitation on the generality of the foregoing, Participants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be engaged under any of the circumstances set forth below:

1.1.1 Conflicting Assignments

Participants (including its personnel and subcontractors) that has a business or family relationship with a member of GOGC's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the contract, may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to GOGC throughout the selection process and the execution of the contract.

1.1.2 Conflicting Relationships

Participants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of GOGC, 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.

1.1.3 GOGC Employees

No current employees of GOGC shall work as Company's and/or Contractor's consultants. Recruiting former GOGC employees is acceptable provided no conflict of interest exists.

1.2 Fraud and Corruption

Participants shall adhere to the highest ethical standard, both during the selection process and throughout the execution of a contract. In pursuance of this requirement, GOGC will reject a proposal for award if it determines that the participant recommended for award has, directly or through an agent, engaged in any activities prohibited under Georgian Legislation.

1.3 Eligibility

1.3.1 Neither Participants, nor their subcontractors or associates may be a person or entity that has been blacklisted from participation in State procurements according to the Law of Georgia on State Procurement;

1.3.2

A Participant shall not be:

- (i) listed on any Sanctions List;
- (ii) located or organized in any country or territory subject to country or territory-wide Sanctions;
- (iii) a person with whom GOGC is prohibited from engaging with by reason of any Sanctions; or
- (iv) otherwise a subject of Sanctions.

For the purpose of this clause:

“Sanctions” means any economic or financial sanctions laws, regulations or trade embargoes or similar restrictive measures imposed, administered or enforced from time to time by any Sanctioning Authority.

“Sanctions List” means any list of persons or entities being the subject of any Sanctions published by any Sanctioning Authority from time to time.

"Sanctioning Authority" means the Georgian parliament or Government, the US government or any US agency (including the Office of Foreign Assets Control of the United States Department of the Treasury (or any successor thereto) "OFAC", the US State Department, the US Department of Commerce or the US Department of the Treasury), the Security Council of the United Nations, UK or the European Union.

1.3.3 In case a Participant intends to associate with other consulting firms and/or individual expert(s), such other consulting firms and/or individual expert(s) shall be subject to the eligibility criteria set forth in this RFP.

1.4 Only One Proposal

Participants may only submit one Proposal. If a Participant submits or participates in more than one Proposal, such Proposals shall be disqualified. However, the forgoing does not limit the participation of same subcontractor, including individual experts, in more than one Proposal.

2. Clarification and Amendment of RFP Documents

2.1 Participants may request a clarification of any of the RFP documents at any time, but no later than 14 Days before the deadline for the submission of the Proposals. Any request for clarification must be sent in writing by electronic mail to GOGC at the following email address: gardabani4@gogc.ge.

2.2 GOGC will respond by email to such requests within 7 Days. Should GOGC deem it necessary to amend the RFP as a result of a clarification, it shall do so in accordance with the procedure described below.

2.3 At any time before the submission of Proposals, GOGC may, for any reason, whether at its own initiative or in response to a clarification requested by a Company, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail to all companies and will be binding on them. GOGC may at its discretion extend the deadline for the submission of the proposals.

3. Preparation of Proposals

3.1 Each Proposal as well as all related correspondence exchanged by the Companies and GOGC shall be written in English.

Economic and Financial Capacity

3.2 The Contractor's financial standing and capacity to administer the Terms of Reference and provide the necessary initial financing are imperative. In its proposal the company is required to provide Audited Financial Statements: the information required is for annual financial statements for the preceding three years to include statement of assets and liabilities (balance sheet); statement of revenue and expenses (income statement) and statement of cash position. In addition to the audit report the company shall submit forecast for the current year including total revenue and revenue derived from the proposed scope of work and total assets and liabilities. GOGC reserves the right to request additional information about the economic and financial capacity of the company.

3.3 A company that fails to demonstrate through its financial records that it has the economic and financial ability to provide the required services as described in the respective Terms of Reference may be disqualified. In this circumstance its Proposal will not be evaluated further.

3.4 In preparing their proposal companies are expected to examine in detail the documents constituting the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.

3.4.1 Competence of Company

The Proposal must include:

- (a) A brief description of the Company's organization.
- (b) An outline of Participant's experience that is recent (only projects completed from the year of 2015 are accepted) and is in compliance with the requirements defined under clause 5.1 (Company references) of the TOR. In case of consortium/JV,

indicate the experience of each partner. For each assignment, the outline should indicate the names of subcontractors and professional staff who participated, duration of the assignment, contract amount, and Participant's involvement.

Information should be provided only for those assignments for which the Participant was legally contracted by its client as a single contractor or as one of the major firms within a Consortium or other association. Assignments completed by individual professional staff working privately or through other consulting firms cannot be claimed as the experience of the Participant, or that of the Participant's associates, but can be claimed by the professional staff themselves in their CVs.

Participants should be prepared to substantiate the claimed experience if so requested by GOGC.

- (c) References and accompanied documents defined under clause 5.1 (Company references) of the TOR.

A company that fails to demonstrate the capacity to provide the Consultancy Services as described in this RFP may be disqualified from further participation in the selection procedure.

**General
Management
and
Professional
Staff of the
Participant**

- 3.5 The structure of the Participant must demonstrate the ability to manage or conduct the Study, provide the necessary technical support and, where necessary, provide replacement staff at short notice. The Participant is required to submit an organization chart showing the numbers of staff and their positions.

3.6 Key Personnel

The Proposal must include CVs of the Key Personnel as required under clause 4.2 (Key Personnel qualification) of the TOR. Each CV shall be signed by the individual and by the Participant's authorized representative. Alternative professional staff shall not be proposed, and only one CV may be submitted for each position. The qualification requirements for the Key Personnel are provided in TOR.

Financial Proposal

3.7 The Financial Proposal shall be prepared using the form in Section 3 of this RFP. The Financial Proposal shall indicate the fixed lump sum price (the price shall be inclusive of all applicable taxes, withholdings, charges, duties and expenditures, except Georgian VAT¹) and shall be accompanied with all requested attachments defined by this RFP.

3.8 Companies may express the price only in U.S. Dollars.

3.9 Companies who provide price escalation in their Financial Proposals shall be disqualified.

3.10 Payment schedule as defined in the attachment to Section 3.

4. Submission and Receipt of Proposals

4.1 Companies must submit Financial Proposals. The original proposal shall contain no interlineations or overwriting.

4.2 An authorized representative of the company shall initial all pages of the original Proposal. The authorization may be in the form of a written power of attorney accompanying the proposal.

4.3 The Proposal must be sent to the e-mail address indicated in paragraph 6 of the Letter of Invitation and received by GOGC no later than the time and the date indicated in paragraph 6 of the Letter of Invitation.

5. Evaluation of Proposals

5.1 GOGC will constitute an evaluation panel for evaluation of Proposals.

¹ GOGC shall include the amount of Georgian VAT corresponding to the lump sum price in the cost of the Contract, if the Company by the moment of signing the Contract is a VAT-payer in accordance with the requirements of the Georgian legislation (After signing the Contract, the amount of Georgian VAT corresponding to the lump sum price shall not be considered in the cost of the contract).

6. Negotiations

6.1 Negotiations for Contract will be held at the date and address indicated in the invitation to negotiate from GOGC to be addressed to the selected company. Representatives conducting negotiations on behalf of the company must have written authority to negotiate and conclude a Contract.

6.2 Negotiations for Contract will include a discussion of the Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the company to improve the Terms of Reference. GOGC and the Contractor will finalize the Terms of Reference, time schedule, work schedule, logistics, deliverables and reporting.

6.3 Within 10 (ten) days after signing the Contract, the Consultant 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 and its validity must exceed the Completion Date specified in the Contract for minimum 60 (sixty) days. Guarantee shall be issued by a bank qualified B+ or higher Fitch international rating or equivalent. The Guarantee shall be submitted with consideration of substantial conditions defined as Schedule 2 of Section 5 (Form of Contract) of this RFP.

7. Confidentiality

7.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the companies, who submitted the proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any company of confidential information related to the process may result in the rejection of its Proposal.

8. Disputes and Governing Law

8.1 This RFP shall be governed by and construed in accordance with Georgian law.

8.2 Any dispute arising out of or in connection with this RFP shall be decided by Georgian Courts.

SECTION 3. PROPOSAL – FORM

Note: *Comments in brackets provide guidance only for the preparation of Financial Proposal; therefore they should not appear on the Financial Proposal to be submitted.*

[Location, Date]

To: JSC Georgian Oil and Gas Corporation

Dear Sir:

We, the undersigned, offer to provide Consultancy Services for the preparation of the Feasibility Study for fourth Combined Cycle Power Plant (CCGT) Project in accordance with your Request for Proposal dated [Insert date]. Our attached Financial Proposal is for the fixed lump sum price of [Insert amount(s) in words and figures]. This amount is inclusive of all applicable taxes, withholdings, charges, duties and expenditures, except Georgian VAT.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., before the date indicated in paragraph reference 1.5 of the Instructions.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Attachments:

- Documents verifying the Economic and Financial Capacity of the Participant (clause 3.2 of the Instructions);
- A brief description of the Participant's organization (sub-clause 3.4.1 (a) of the Instructions);
- Documents verifying the Participant's experience (sub-clauses 3.4.1 (b) and (c) of the Instructions);
- The Participant's organization chart (clause 3.5 of the Instructions);
- CVs of the Key Personnel (clause 3.6 of the Instructions);
- Payment schedule (clause 3.10 of the Instructions);
- The document verifying authorization of the company's representative (clause 4.2 of the Instructions);

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

Payment schedule

Col. No.	Description of Services	% of Total lump sum price	Price in USD excl. VAT
1.	Advance Payment	10%	
2.	Basic Engineering Data Report is issued to GOGC	15%	
3.	Configuration Analysis and Conceptual design are issued to GOGC	15%	
4.	Draft Technical Assessment Report (Technical Feasibility Study) is issued to GOGC	10%	
5.	Draft Financial Model and Revenue Estimate are issued to GOGC	10%	
6.	Draft ESIA Report is issued to GOGC	10%	
7.	Draft Feasibility Study Report	20%	
8.	Final Feasibility Study Report (Including ESIA) is issued to GOGC	10%	
	Total	100%	

- The advance payment will only be made against an irrevocable unconditional bank guarantee for the whole amount of advance payment and its validity must exceed the Completion Date specified in the Contract for minimum 60 (sixty) days. Guarantee shall be issued by a bank qualified B+ or higher Fitch international rating or equivalent. The Guarantee shall be submitted with consideration of substantial conditions defined as Schedule 1 of Section 5 (Form of Contract) of this RFP.
- The only other payment shall be made after provision of the certificate of acceptance according to the article 6 of the Form of the Contract.

SECTION 4. TERMS OF REFERENCE

2. PROJECT RATIONALE

The Georgian Oil and Gas Corporation (GOGC) has been ordered by the Government of Georgia (GoG) to initiate the process for the Preparation of the Feasibility Study for 4th Combined Cycle Power Plant (CCGT) Project with approximate capacity of 250(225-275) MW in the Gardabani (See Attachment 1) area.

Prior to contract signature, exact location of plant could be defined. GOGC is responsible for providing the final location within the are shown on Attachment 1.

The need of the project is due to the increase of the power demand in Georgia and the success of the Gardabani I and Gardabani II procurement.

Prior that, GOGC has started implementation process for construction of third Combined Cycle Power Plant (272 MW).

The Project could be implemented on a PPP or EPC basis, depending on future decision of Government of Georgia, following a fair and transparent competitive tendering process. The Georgian Oil and Gas Corporation (GOGC) will be the counterpart to the Gas Supply Agreement, while the Georgian Gas Transportation Company (GGTC) will be the counterpart for Gas Pipeline tie in and integration into the Georgian Gas Network. The Georgian State Electrosystem (GSE) will be the counterpart for Switchyard and Transmission Line design and integration into the Georgian Power Transmission Network.

Within this context, GOGC wishes to engage a Technical Consultant to provide the plant Feasibility Study, with a team of personnel having demonstrable experience in providing services related to Feasibility Studies, IPP and EPC tendering (the “Services”).

3. OBJECTIVE

The key objective of this assignment is to develop the Feasibility Study for the fourth Combined Cycle Power Plant in the Gardabani area, within a timeframe of 6 months from signature of the contract and notice to proceed.

The document should be of similar standard as a Bankable Feasibility Study in case the decision is made to implement the project as EPC Basis and should also serve as a Basic Design Report in case the decision is made to implement the project as IPP Basis.

In both cases, the Plant Minimum Functional Specification and the Request for Proposal will be the next steps in the project development process.

The Feasibility Study shall reveal essential obstacles (whether existing or potential) of regulatory, technical, environmental, commercial, social kind for future project development and power production.

4. CONSULTANT'S SCOPE OF WORK

4.1 SCOPE OF WORK

The key tasks of the Consultant will consist of the following:

1. Preparation of the Technical Assessment Report (Technical Feasibility Study)
2. Preparation of Plant Revenues estimate
3. Preparation of the CAPEX and OPEX estimates and the Project Financial Model
4. Preparation of Grid Impact Study
5. Preparation of Topographical & Boundary Survey Report, Geophysical & Geotechnical Survey
6. Preparation of Environmental and Social impact assessment of the plant

PREPARATION OF THE TECHNICAL ASSESSMENT REPORT (TECHNICAL FEASIBILITY STUDY)

The Technical Consultant's key activities during this phase will include the following:

1. Attend a Project Kick off Meeting in Tbilisi
2. Collect the initial data on plant location, interface points and available capacities for Power, Gas, Water, plant discharges, land access and transportation route from the nearest seaport, geotechnical data and underground obstacles, any constraint or obstacle to be considered in the project development
3. Prepare a Concept configuration study for the selected plant capacity range, including preparation of Heat and Mass Balance, Preliminary Layout for the main configurations analysed
4. Preparation of Concept design including plant systems description for the selected configuration
5. Preparation of the Project Implementation Schedule
6. Preparation of a Risk Assessment study for the project
7. Preparation of a final report of the Feasibility Study, incorporating all different streams of work

The envisaged Table of Content of the Feasibility Study is as follows:

Chapter	Description
	Executive Summary
1	Introduction
2	Base Data
3	Site Description
4	Gas Availability
5	Power Evacuation
6	Plant Configuration
7	Plant Concept Selection
8	Plant Conceptual Design for selected configuration
9	Project Implementation Plan
10	Transport and Logistic
11	Plant General Utilities (Access Roads, Water supply, Waste water discharge and accommodation)
12	Environmental and Social impact Assessment
13	Project Risks Analysis
14	Plant Revenues estimate
15	Cost Estimate
16	Project Financial and Economics Assessment
17	Conclusions and Recommendations

PLANT REVENUES ESTIMATE

The Technical Consultant is requested to provide a bankable revenue estimate and gas cost estimate based on wholesale price projections, for the years 2024-2044. The price projections need to be a recent estimate, not later than 3 months old at the time of the report submission.

The existing thermal power plants are supplied with gas at the prices set out in the Memorandum and the existing contract between the Government of Georgia and SOCAR. Today's fixed price for natural gas for thermal power plants is \$ 143 per 1000 m3.

The model used to derive the price projections should be able to:

1. Model every hour in the year – a total of 8,760 hours per year, across a range of historical weather years;
2. Use an historical weather year approach to take into account the relationships between weather and demand for electricity, including determining of. wind, solar and hydro generation impact;
3. Use at least last five years of historical data;
4. Determine optimal exports and imports between countries of region, based on regional market economics and interconnection capacities; and
5. Represent every medium-large power plant in Georgia

A sample Table of Content of the Plant Revenues estimate is as follows:

<i>1</i>	<i>Introduction</i>
1.1	Structure of this report
1.2	Appropriate use of price projections
1.3	Report reference date
1.4	Conventions
1.5	Limitations
<i>2</i>	<i>Market Background</i>
2.1	Overview
2.2	Market structure and players
2.3	Consumption and generation
2.4	Transmission and interconnection
2.5	Distribution and supply
2.6	Wholesale market and trading
2.7	Regulatory arrangements
2.8	Environmental policies

3	<i>Electricity Market Model Input Assumptions</i>
3.1	Modelling approach
3.2	Economic assumptions
3.3	Market design assumption
3.4	CO ₂ allowance projections
3.5	Gas prices
3.6	Electricity demand
3.7	Generation capacities
3.8	Connection to the Grid
3.9	Technical parameters of generation
4	<i>Modelling Results</i>
4.1	Wholesale electricity price projections
4.2	Peak and Off-Peak wholesale price projections
4.3	Spark and dark spreads
4.4	Generation weighted average price analysis
4.5	Hourly price distribution
4.6	Marginal plants
4.7	Supply curves

POWER PLANT SPECIFIC ANALYSIS

As Power plants are not able to capture exactly the baseload price of a year, a detailed revenue capture analysis for the 4th CCGT is requested. This is to be executed by including the power plant into the price projection model, interacting directly on the market and influencing also the power price. Such analysis is especially required for large thermal power plants that are sizeable compared to the electrical market they work in.

PREPARATION OF THE CAPEX AND OPEX ESTIMATES AND THE PROJECT FINANCIAL MODEL

1. Estimation of the investment cost CAPEX and operating and maintenance cost OPEX, with -15%/+20 accuracy.
2. Estimate of the costs associated with access to power and gas networks.
3. Preparation of a template financial model for the project, estimated by the Consultant

GRID IMPACT STUDY

It is estimated that the plant capacity would be in the range of 225-275 MW. Considering the size of the Georgian power system (4100 MW installed capacity), this unit represents almost 6% of the total installed capacity. However, during system low load conditions, this unit might represent as much as 10-12% of the total system operation capacity. Disturbances leading to tripping a power plant of that size might lead to undesirable system operational consequences (such as under frequency load shedding or even cascaded outages of other units, voltage stability problem, etc). Therefore, it is necessary to perform a comprehensive grid impact study to identify such risks in advance and to design the power evacuation scheme of the project accordingly.

The Technical Consultant is expected to perform the following studies:

1. Load flow and contingency analysis.
2. Short circuit current calculations (three phase and ground fault current)
3. Transient stability analysis to identify critical fault clearing time of G 4
4. Voltage stability analysis (dynamic performance studies)
5. Unit trip simulations

The above mentioned studies should be performed considering a system high and a low load case. The studies should be performed in simulation tool PSS/E or with a tool with similar or improved parameters. The Georgian transmission system model should be used in the studies which would be provided to the Consultant.

The study outcome should be written in a report, which clearly identifies the assumptions, methodology, simulation output, conclusion and recommendations. The developed PSS/E system model with the new CCGT Power plant included, should be handed over upon completion of the study.

TOPOGRAPHICAL & BOUNDARY SURVEY REPORT, GEOPHYSICAL & GEOTECHNICAL SURVEY

The Consultant Within this assignment shall carry out (but not limited) following tasks:

1. Topographical & Boundary Survey Report
2. Topographic Mapping
3. Location Analysis
4. Boundary Surveys
5. Layout and Surrounding
6. Site Characterization Investigation Overview
7. Geophysical & Geotechnical Survey
8. Soil conditions
9. Seismic conditions
10. Geotechnical Exploration
11. Geotechnical Engineering Analyses
12. Geological and Hazards Assessment

TOPOGRAPHICAL SURVEYING

The Contractor shall comply with the requirements related to the services, for the topographic survey in this specification as applicable unless otherwise specified in this Specification.

All elevation shall be based on Mean Sea Level (MSL).\

Scope

1. Precision Surveying shall be carried out under the direction and control of a licensed land Surveyor for the area indicated in Attachment 1.
2. All field works and plotting of contour maps shall be carried out in the metric system.
3. Establishing planimetric control points using Differential Global Positioning System (DGPS) and a collection of all topographical details.
4. Levels shall be transferred using auto levels from the nearest GTS benchmark onto the site by double tertiary levelling to all the grid corners.
5. Accuracy of measurements shall be ± 100 mm in both vertical and horizontal directions.
6. All the data shall be linked to national survey benchmarks and respective datum. The data shall be represented in UTM coordinates also.
7. Detailed topographical survey to be carried out based on reference line and coordinates provided to all grid corners and Spot levels shall be taken in a grid of 5 meters and contours shall be established at an interval of 250 mm. All contour levels shall be with respect to MSL.
8. All boundary lines shall be located with their distances, including angle and bearings and boundary pillars to be constructed. Number of pillars shall be adequate to mark the boundary limits without any dispute.
9. Two reference line, North-South line and East-West line at right angles to each other shall be established with grid pillars (constructed at 200 meters' c/c) in both directions in such a way that these pillars will not be disturbed during construction (see Attachment 2 – Preliminary General Layout).
10. All pillars shall be of RCC construction of size 200mm x 200mm x 750mm high with MS plate embedded on top of it and the pillars shall be embedded into soil properly.
11. Coordinates shall be painted on these grid pillars. Pillars shall also be painted using synthetic enamel paint for easy identification. Benchmark (BM) pillars shall be provided at least at 6 locations. These pillars shall be properly

protected to prevent their disturbance during construction activities. BM pillars shall be distinguished from grid pillars with different type of painting. The true North and Magnetic North directions shall be established with respect to the reference north and indicated with particulars of the bearings.

12. The survey map should identify all topographical features such as, but not limited to, building footprints, permanent structures, building remains, trees and prominent vegetation, edge of scrub, boundary features including walls, fences, hedges, drainage information including manhole covers, gullies, inspection covers, visible service information including overhead cables, electric poles/pylons, telephone poles, top and bottom of embankments, road footpaths, depressions, rock outcrops, underground services, roads or any other obstruction. In addition, all wet land and marshy stretches shall also be identified.
13. All the maps shall be in AutoCAD format as well as Digital Terrain Model (DTM) shall be drafted in millimetres.
14. Contractor shall prepare a contour map of the area in addition to that he shall prepare the longitudinal section and cross section of the site at suitable intervals to adequately represent actual topography. For natural drains and other water courses sections at closer intervals shall be provided.
15. Final topographical survey map shall be compiled in layers consisting of Topographical survey details, block levels, contour lines and combined maps.
16. The data shall be presented in X1, Y1, Z1 format.
17. Contractor shall furnish CDs of all survey drawings to Owner for his reference.

SUBMISSION OF FIELD DATA AND REPORT

1. Contractor shall submit all data pertaining to the survey in original to the Owner.
2. All field data shall be submitted to Owner from time to time as per progress of the work.
3. Two copies of the draft report shall be submitted on the completion of the field work for review and approval of Owner. The report should give the introduction of the site, methodology adopted for surveying the areas, calculation of errors, transfer of Benchmark, calculations required for surveying and for the preparation of the survey maps.
4. Details of type of trees (if any), numbers and circumference diameter shall also form part of the survey report.
5. The survey report should also cover the following:

- General site observation such as location of access roads and water streams, canals etc.
- Presence of any well and/or tube well at the site or adjoining areas. Whether there are any rock outcrops within boundary. Details of earlier uses of the site, possibility of water logging and high flood level of the area.
- Final survey report shall be submitted in 5 copies of standard A4 size sheets properly bound and printed using good quality paper and material.

6. The report shall be in English language.

GEOTECHNICAL SURVEYING

The Contractor shall comply with the requirements related to the services, for the geotechnical survey in this specification as applicable unless otherwise specified in this Specification.

SCOPE

1. The entrepreneur shall perform deep small-diameter boreholes and Cone Penetration Test (CPT) and Standard Penetration Test (SPT) on the site. The method to be chosen based on the site conditions. The number of the test points should be enough to explore the subsurface for design the basement, but at least 3 per building. The bores shall be done to an average depth of 15 meters or the refusal strata whichever is less from the existing ground level.
2. The subsurface exploration shall involve soil sampling and laboratory tests. Disturbed and undisturbed soil samples are needed.
3. The field and laboratory work should be evaluated by judging their number and reliability.
4. The layer sections shall be represented according to the results.
5. Finally, a geotechnical investigation shall be prepared meeting the requirements of European Standards EC7-1 and EC7-2 and ASTM standards.

SUBMISSION OF FIELD DATA AND REPORT

1. Contractor shall submit all data pertaining to the survey in original to the Owner.
2. All field data shall be submitted to Owner from time to time as per progress of the work.
3. Two copies of the draft report shall be submitted on the completion of the field work for review and approval of Owner. The report should give the introduction of the site, topography of the area, survey maps.
4. The geotechnical investigation should also cover the following:
 - tabular and graphical representation of exploration and laboratory results, showing the ranges and distribution of important data
 - determination the original groundwater level, the phreatic low
 - numerical data and qualification of the chemical characteristics of soils and groundwater
 - mineral composition, physical properties (compression and strength characteristics) of each ground layer
 - earthquake category classification of soils giving initial data for design
 - recommendations for the type of basements and the level of the foundation.
5. The report shall be in English language.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

The Consultant has to execute an assessment of environmental and social impacts expected from the project development. Within this assignment the Advisor shall carry out following tasks:

1. Preparation of **Environmental scoping document** (including screening check list) for the entire project to obtain relevant scoping conclusion;
2. Preparation of **Environmental and Social Impact Assessments (ESIA)**, for the entire project including obtaining Environmental decision;
3. Preparation of Technical **Health and Safety Protection (HSE) Plan** for the entire project;
4. Preparation of **Environmental and Social Management plan for the entire project**;

5. Preparing as a separate document Project **Non-Technical Summary** (NTS) for the entire project;
6. Preparation of Types and Volumes of Anticipated Emissions (technical report on stationary sources of the pollution and inventory of hazardous substances exhausted by them and marginal allowable norms of exhaustion/discharge of hazardous substances) two separate reports;
7. Preparation of Water intake and wastewater discharge plan;
8. Waste Management Plan;

The information regarding main parameters of possible technical alternatives for the plant development will be provided together with information regarding the advantages of proposed technical solution against alternative options.

The report should contain the following:

1. Project description
2. Legal context, environmental and social regulations and applicable requirements.
3. Project needs and alternative solutions
4. Baseline environmental and social assessment of the project area including existing pollution levels of land, air and water sources, Noise and vibration on site, Geophysical & Geotechnical Survey, land ownership, Landscape and land use, biodiversity and biologically sensitive receptors, Flora and Vegetation, Fauna) protected areas and areas of special environmental concern, Social baseline, cultural heritage etc.
5. Expected main environmental and Social impact from the project development
6. Cumulative and transboundary effects from the project development
7. Impact significance and impact mitigation
8. Environmental and Social management and monitoring including ESAP.

The Assignment shall be conducted according to the following Relevant Standards and guidelines:

Georgian laws and regulations:

- The Environmental Assessment Code;
- The Law on Licences and Permits;
- The Law on Water;
- The Law on Soil Protection;
- The Law on Protection of Atmospheric Air;
- The Waste Management Code;
- The Law on Wildlife;
- The Law on Red List and Red Book;
- Forest Code;
- Law on Protected Areas.
- International Laws including conventions and treaties adopted by the host country and applicable to the Project;

The main target for the project description is to define the area of project implementation, technical characteristics, adequacy of proposed technical solutions to the best available technique and technology, the sizing and shape of the proposed facility

The Advisor shall study the situation in the country, technical necessity of the project, country policy, plans and programs which will be affected by the project development, priorities etc. The main information in this regard will be available from the different ministries including the Ministry of Environment and Agriculture, Georgian State Electro system and other stakeholders. Most information will be publicly available and shall be analyzed by the Advisor. The outcomes from analysis shall be outlined in the report. The technical alternative solutions will be provided by the technical tasks above and shall be analyzed from environmental and social point of view.

The impact assessment will concentrate on identification of the main environmental and social impacts expected from the project development. The main focus should be made on significant issues like air pollution, emission of the greenhouse gases, impact on the river environment etc. The transboundary and cumulative impacts should be discussed and assessed to identify if any actions or mitigation will be required to address cumulative and transboundary issues.

Review of identified environmental and social impacts has to be prepared within the frame of this TOR. The Advisor shall assess and forecast the anticipated negative and positive effects of the planned Project on the environment and socioeconomic baseline during the construction and operation phases of the project. The Advisor shall make use of a robust and consistent qualitative or semi-quantitative methodology to assess the direct, indirect, and induced impacts in line with international norms and identify major, moderate, minor and negligible impacts. The impact assessment shall assume that the embedded controls included within the Project description will be implemented. Based on the initial impact assessment, the Advisor shall identify and propose adequate and suitable additional measures - based on the mitigation hierarchy - to anticipate and avoid, or where avoidance is not possible, to minimize the identified impacts. Where significant residual impacts remain after application of mitigation measures, Advisor shall propose measures to compensate/offset the identified impacts. In case of impact on biodiversity, the mitigation measures planned should provide strong assurance of no net loss of biodiversity and ecosystem services, and of net gain if critical habitat features have been identified and predicted to be impacted upon.

The impact assessment shall be presented in a logical and clear format and include an assessment of the impacts prior to and following the implementation of mitigation measures. The Advisor shall prepare an Environmental and Social Management and Monitoring Plan (ESMMP) to manage, mitigate, and monitor any potential negative impacts and enhance benefits associated with the Project. The ESMMP shall include a table of the commitments based on the mitigation measures identified, with detail on the anticipated objectives of each measure, related milestones and time frames and reporting requirements as well as competencies and human resources, required equipment, materials and budgets required for the implementation of this commitment.

The ESMMP shall also contain information on the intended Environmental and Social Management System (ESMS) that will be developed for the Project, organizational structure as well as information on reporting, monitoring, auditing and change management for the ESMMP. The management plan shall be clearly structured and should cover all Project phases. The ESMMP shall include: waste management plan, pollution prevention management plan, reinstatement management plan and an Emergency Preparedness and Response Plan.

4.2 MILESTONES AND DELIVERABLES SUBMITTAL SCHEDULE

The provisional timeline for the key **milestones** in this Assignment is as follows:

Sr. No.	Milestone No.	MS Description	Tentative Start Date	Tentative Completion Date
1	MS01	The Technical Consultant has completed the Project Team kick off meeting in Tbilisi	17 Feb 2020	
2	MS02	Basic Engineering Data Report	20 Feb 2020	20 Mar 2020
3	MS03	Configuration Analysis and Conceptual Design Report	20 Mar 2020	10 Apr 2020
4	MS04	Draft Technical Assessment Report (Technical Feasibility Study)	10 Apr 2020	10 May 2020
5	MS05	Draft Financial Model and Revenue Estimate Reports	20 Mar 2020	15 May 2020
6	MS06	Draft ESIA Report	10 Apr 2020	12 Jun 2020
7	MS07	Draft Feasibility Study Report	20 Feb 2020	10 Jul 2020
8	MS08	Final Feasibility Study Report (Including ESIA)	17 Feb 2020	17 Aug 2020

Notes:

1. The exact schedule for the Assignment will be agreed between the parties in the kick-off meeting.
2. The Technical Consultant is requested to incorporate the comments from GOGC in two weeks from receipt.
3. Only one set of consolidated comments to be incorporated in the documents is included in the present scope of work.

4.3 MANDATORY MEETINGS

Col. No.	Description of Services	Location	Min. No of meetings/trips (meeting/trip)
1.	Kick off Meeting	Tbilisi	1
2.	Intermediate progress meeting 1	Tbilisi	1
3.	Draft Feasibility Study presentation meeting	Tbilisi	1
4.	Final Feasibility Study presentation meeting	Tbilisi	1
5.	Any other additional meeting	Tbilisi	1

5. TECHNICAL CONSULTANT'S PROFILE

5.1 COMPANY REFERENCES

Consulting services are solicited from Combined Cycle Power Plant Experts experienced in preparing the Feasibility Study for a CCGT based power plant. Consulting firms should have experience to perform the consultancy services, experience of similar assignments, experience in similar conditions, firm's capability, and availability of appropriate skills among key staff, availability of resources, relevant transactional experience.

The Technical Consultant selected for this assignment will be a company or a group of companies (in which case only the leading Company will be contracted) with previous related project experience, in particular:

- Feasibility Study preparation of Combined Cycle Power Plant projects, preferable with experience in providing assistance to regulators/Offtakers on technical aspects of CCGT projects.

References for at least two projects (issued by Purchaser/Owner of a CCGT Power Plant) shall be provided for Preparing the Feasibility Study of a CCGT Power Plant, with more than 200 MW each, executed by the Company in a Consortium of Commercial or independently.

References shall be accompanied by a respective Project Completion Certificate and/or a Signed Contract;

5.2 KEY PERSONNEL QUALIFICATION

The Technical Consultant's expert team is expected to include (at least) the following key experts (the '**Key Experts**'):

- 1) Key Expert 1: **Team Leader** – Expert in preparation of Feasibility Study of Thermal Power Plants with:
 - Master of Science in an Engineering discipline or equivalent degree and Master in Business Administration (MBA);
 - At least 10 years' experience in projects related to the power sector;
 - Proven experience in leading a team of experts and the ability to demonstrate adequate project management skills, managerial skills and team leading experience;
 - considerable experience in preparation of Feasibility Study in at least 2 projects, of which at least one of a CCGT Power Plant of more than 200 MW;
- 2) Key Expert 2: **Senior Technical Expert** in CCGT Power Plants with:
 - Master of Science in an Engineering discipline or equivalent degree;

- (Preferably) a Ph.D. in an Engineering discipline;
 - At least 10 years' experience in projects related to the power sector;
 - considerable experience in preparation of Feasibility Study in at least 2 projects, of which one of a CCGT Power Plant of more than 200 MW;
- 3) Key Expert 3: **Senior Technical Expert** in CCGT Power Plants with:
- Bachelor of Science in an Engineering discipline;
 - (Preferably) Master of Science in an Engineering discipline or equivalent degree;
 - at least 5 years' experience in projects related to the power sector;
 - considerable experience in preparation of Feasibility Study in at least 1 CCGT Power Plant projects of more than 200 MW;
- 4) Key Expert 4: **Grid / Electrical Engineer** with experience in the power transmission sector with:
- Master of Science in a Power Engineering;
 - at least 5 years' experience in projects related to the power sector;
 - considerable experience in Power Engineering assignments related to design, erection and commissioning works assignments in at least 3 projects on at least 220kV infrastructure;
- 5) Key Expert 5: **Civil Engineer** with experience in the power transmission sector with:
- Master of Science in an Engineering discipline or equivalent degree;
 - at least 5 years' experience in projects related to the power sector;
 - considerable experience in at least 2 CCGT Power Plant projects of more than 200 MW;
- 6) Key Expert 6: **Environmental Engineer** with experience in the Georgian energy sector with:
- Master of Science in an Engineering discipline or equivalent degree;
 - at least 10 years' experience in projects related to the energy sector;
 - considerable experience in the power sector of Georgia;
 - considerable experience in Environmental Studies assignments in at least 2 projects related to the energy sector.
- 7) Key Expert 7: **Financial Model Expert** with experience in financial/economic analysis with
- master of Science in an Engineering discipline or equivalent degree;
 - a Ph. D in an Economics discipline;
 - at least 10 years' experience in projects related to the energy sector.

All the key experts are expected to have strong communication skills, be fluent in English and, preferably, have experience in past projects in Georgia.

SECTION 5. FORM OF CONTRACT

CONTRACT

5.3 RECITALS

Article 1. General

- Section 1.1 Definitions**
- Section 1.2 Contract Documents**
- Section 1.3 Law Governing Contract**
- Section 1.4 Language**
- Section 1.5 Notices**
- Section 1.6 Location**
- Section 1.7 Authorized Representatives**
- Section 1.8 Taxes and Duties**

Article 2. Commencement, Completion, Modification and Termination of Contract

- Section 2.1 Effectiveness of Contract**
- Section 2.2 Expiration of Contract**
- Section 2.3 Modifications or Variations**
- Section 2.4 Force Majeure**
- Section 2.5 Termination of Contract**
- Section 2.6 Suspension**

Article 3. Obligations of the Consultant

- Section 3.1 Scope of Services**
- Section 3.2 Standard of Performance**
- Section 3.3 Reporting Obligations**
- Section 3.4 Delayed Delivery**
- Section 3.5 Conflict of Interests**
- Section 3.6 Confidentiality**
- Section 3.7 Documents Prepared by the Consultant to be Property of**
- Section 3.8 Consultant's Actions Requiring GOGC's Prior Approval**
- Section 3.9 Accounting, Inspection and Auditing**
- Section 3.10 Indemnification**
- Section 3.11 Representations and Warranties**

Article 4. Consultants' Personnel
Section 4.1 Description of Personnel
Removal and/or Replacement of Personnel

Article 5. Assistance of GOGC
Section 5.1 Assistance

Article 6. Acceptance of Service

Article 7. Payments to the Consultant
Section 7.1 Contract Price
Section 7.2 Contract Price Amount

Section 7.3. Payments for Additional Services
Section 7.4. Terms and Conditions of Payment
Section 7.5 Interest on Delayed Payments

Article 8 Bank Guarantees
Section 8.1 Advance Guarantee
Section 8.2 Performance Guarantee

Article 9.

Article 9. Good Faith
Section 9.1 Good Faith

Article 10. Settlement of Disputes
Section 10. 1 Amicable Settlement
Section 10.2 Dispute Resolution

Article 11. General Provisions
Section 11.1 Assignment
Section 11.2 Non-waiver of Remedies
Section 11.3 Entire Contract

APPENDICES

Appendix A. DESCRIPTION OF SERVICES

Appendix B. REPORTING REQUIREMENTS

Appendix C. KEY PERSONNEL AND SUBCONTRACTORS

Appendix D. FEES AND RATES

CONTRACT FOR CONSULTANTS' SERVICES

Lump-Sum Fixed Price Contract

RFP No.

between

JSC "Georgian Oil and Gas Corporation"

(GOGC)

and

[name of the Consultant]

Dated:

CONTRACT N

[INSERT CONTRACT NO]/DATED _

This CONTRACT is made as of [__], [----] 2020 by and between the JSC

Georgian Oil and Gas Corporation (registered seat: 21 Kakheti highway, Tbilisi 0152, GEORGIA, registered under No. 206237491, “GOGC”) and,
on the other hand, *[name of Consultant]*, a [__] organized and operating
under the laws of [__] *[name of country]* (the “Consultant”) (collectively,

the “Parties,” and each individually a “Party”).

RECITALS

(a) Whereas, the decision to procure consultancy services has been made and in accordance with-----
--;

(b) Whereas, GOGC has requested proposals within a competitive selection process from qualified and experienced consulting companies for rendering consultancy services relating to the preparation of a Feasibility Study in relation to the ----- Project;

(c) Whereas, the Consultant has been selected by GOGC as the winner of the competitive selection process having represented to GOGC that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties, intending to be legally bound, agree:

ARTICLE 1. GENERAL

Section 1.1. Definitions

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

(a) “Applicable Law” means the Georgian legislation, as may be amended or modified from time to time.

(b) "Completion Date" means the date on which a particular Service shall be delivered by the Consultant to GOGC as described in Appendix A to the Contract.

(c) “Consultant” means the entity defined in the preamble to this Contract that enters into a contract with GOGC to provide the Services.

(d) “Contract” means this contract signed by the Parties and all the documents listed in Section 1.2, as may be amended, modified, or supplemented from time to time as permitted pursuant to the terms of this Contract.

(e) “Contract Price” means the price to be paid for the performance of the Services, in accordance with Section 7.2.

(f) “Day” means calendar day.

(g) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Section 2.1.

(h) “Feasibility Study” or the “Study” mean the document including the assessment of the technical, financial and economic viability of the Project based on the Scope of Services provided in Appendix A.

(i) “Foreign Currency” means US dollars (USD).

(j) "Government" means the Government of Georgia.

(k) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.

(l) "Personnel" means persons hired by the Consultant or by any Subcontractors and assigned to the performance of the Services or any part thereof. "Foreign Personnel" means such professionals and support staff who at the time of being so hired had their domicile outside of Georgia; "Local Personnel" means such professionals and support staff who at the time of being so hired had their domicile inside Georgia.

(m) "Subcontractor" means any entity or person to which/whom the Consultant subcontracts any part of the Services.

(n) "Taxes" means all existing or future taxes, levies, duties, customs, imposts, contributions, fees, assessments or other similar charges, and all fines, penalties, interest or other charges which may be imposed in connection with or as a result of carrying out the Services.

(o) "In writing" means communicated in written form with proof of

receipt. Section 1.2. Contract Documents

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

Appendix A: Description of Services

Appendix B: Reporting Requirements

Appendix C: Key Personnel

Appendix D: Fees and Rates

Section 1.3. Law Governing Contract

This Contract including its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law as defined in Section 1.1(a).

Section 1.4. Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

Section 1.5. Notices

(a) Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. 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 following address:

GOGC:
Attention:
Facsimile
: E-mail:

Consultant:
Address:

Attention: _____

Facsimile: _____
E-mail: _____

(b) A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified above.

Section 1.6. Location

The place of performance of Services shall be specified in [Appendix A](#) hereto in accordance with the respective provisions of the Applicable Law.

Section 1.7. Authorized Representatives

(a) Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by GOGC may be taken or executed by ***[Insert Name/designation]***;

(b) Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Consultant may be taken or executed by *[insert name], [insert position]*;

Section 1.8. Taxes and Duties

The Consultant, Subcontractors and their respective Personnel shall pay all applicable Taxes in and/or outside of Georgia, which constitutes integral part of the Contract Price.

ARTICLE 2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

Section 2.1. Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both Parties. The date the Contract comes into effect is defined as “the Effective Date”.

Section 2.2. Expiration of Contract

(a) Unless terminated earlier pursuant to Section 2.5 hereof or extended by mutual consent of the Parties, this Contract will remain valid [-----] days from the Completion Date.

(b) Without prejudice to immediately preceding section 2.2.(a), this Clause 2.2 and Clauses 1.1 – 1.5, 1.8, 3.4 - 3.7, 3.9, 3.10, 8 – 10, 11.1.(b) and 11.2 and any other provision that by its terms is intended to survive any expiration or termination of this Contract. No Party shall by virtue of the termination of this Contract be relieved from any liability for any breach, improper performance or non-performance of this Contract arising prior to the date of termination.

Section 2.3. Modifications or Variations

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.

Section 2.4. Force Majeure

Sub-Section 2.4.1 Definition

For the purposes of this Contract, “Force Majeure” means an act, event or condition that:

(a) is beyond the reasonable control of a Party and is not the result of any acts, omissions or delays of the Party relying on such Force Majeure (or any third person over whom such Party has control, including any subcontractor);

(b) is not an act, event or condition, the risks or consequences of which such Party has expressly agreed to assume hereunder;

(c) could not have been prevented, remedied or cured by such Party’s reasonable diligence; and

(d) directly prevents performance by the Party relying on such act, event or condition of its respective obligation(s).

Sub-Section 2.4.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the Contract 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:

(a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract,

(b) has informed the other Party about the occurrence of such an event as soon as possible but no more than within 3 days after the Party became aware, or should have become aware of the relevant event or circumstance, and

(c) continues to perform all of its obligations not impacted by such event of Force Majeure.

Sub-Section 2.4.3 Extension of Time

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.

Section 2.5. Termination of Contract

Sub-Section 2.5.1 By GOGC

(a) GOGC may unilaterally terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (i) of this sub-section 2.5.1 by delivery of a written notice to the Consultant specifying the reason and effective date of such termination: If the Consultant, in the reasonable judgment of GOGC fails to perform its obligations under the Contract and does not remedy a failure, within ten (10) days after being notified or within any further period as GOGC may have subsequently approved in writing. GOGC shall not be obliged to fix an additional period of time when it is evident that such a period will not yield any result..

(b) If the Consultant becomes insolvent or bankrupt.

(c) If the Consultant, in the reasonable judgment of GOGC, has engaged in corrupt, coercive, collusive, or fraudulent practices in competing for or in executing this Contract.

(d) If the Consultant breaches its obligation to submit performance security guarantee;

(e) If, as a result of Force Majeure, the Consultant is unable to perform a material portion of the Service for a period of not less than sixty (60) days.

(f) If, giving 15 days prior notice, GOGC, in its sole discretion decides to terminate this Contract;

(g) If amount of interest accrued and to be paid by Consultant exceeds 5% of Contract Price;

(h) If the Consultant fails to comply with any final decision reached as a result of court proceedings pursuant to Section 10.2 hereof.

(i) GOGC, in its sole discretion and without cause, decides to terminate this Contract.

Sub-Section 2.5.2 By the Consultant

The Consultant may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (b) of this sub-section. Such termination shall become effective thirty (30) days after notice of termination.

(a) If GOGC fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Article 9.2 hereof within thirty (30) days after receiving written notice from the Consultant that such payment is overdue.

(b) If GOGC fails to comply with any final decision reached as a result of court proceedings pursuant to Article 10.2 hereof.

Sub-Section 2.5.3 Payment upon Termination

The parties entitlement to payments as well as damages and other remedies upon termination pursuant to Sub-Clause 2.5 shall be regulated by Applicable Laws.

Section 2.6. Suspension

(a) GOGC may suspend this Contract, in whole or in part, upon delivery of notice to the Consultant. Such suspension shall become effective upon the date specified in such notice, provided however, that if the date specified in the notice of suspension is earlier than the date on which the notice is served upon the Consultant, the suspension shall become effective upon the date on which the notice is served upon the Consultant.

(b) Upon receipt of a notice of suspension pursuant to this Section 2.6, the Consultant shall suspend all activity in respect of this Contract (except as otherwise specifically stated in the notice of suspension), and such activity shall remain suspended until the suspension is lifted by written instruction from the GOGC.

- (c) If the period of suspension prevails and causes the Services to be halted for a continuous period in excess of thirty (30) days, the Parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable, which alternative arrangements may include but not limited to termination of the Contract.
- (d) In case the Contract is suspended in accordance with above Sub-Section 2.6.a, the Completion Date shall be automatically extended for a period equal to the time of suspension.

5.4 **ARTICLE 3. OBLIGATIONS OF THE CONSULTANT**

Section 3.1. Scope of Services

The Consultant shall perform the Service as described in [Appendix A](#), pursuant to this Contract, except to the extent GOGC and Consultant otherwise agree.

Section 3.2. Standard of Performance

The Consultant shall perform the Service and carry out its obligations hereunder with all due diligence, efficiency and economy, in accordance with the professional standards and practices accepted internationally, 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 faithful adviser to GOGC, and shall at all times support and safeguard GOGC's legitimate interests in any dealings with Subcontractors or third parties.

Section 3.3. Reporting Obligations

(a) The Consultant shall submit to GOGC the reports and documents specified in [Appendix B](#) in the form, numbers and within the time periods set forth in the said Appendix¹.

(b) If any comment and/or recommendation is made by the GOGC concerning submissions, the Consultant shall incorporate such in a final reports.

(c) Final reports shall be delivered in CD-ROM in addition to the hard copies specified in said Appendix.

(d) Non provision of the reports stated in Sec 3.3. (a) within the time-frame determined in Appendix B shall constitute breach of the Contract.

Section 3.4. Delayed Delivery

If Consultant delays or fails to deliver Service within deadline specified in the Contract, GOGC shall, without formal notice and without prejudice to its other remedies available under the Contract, be entitled, to the interest equal to 0.05% of the Contract Price for each delayed day which shall elapse between the expiry of Completion Date and the actual date of delivery or the expiry or termination of the Contract, whichever comes earlier. The value of the interest shall be deducted from the respective invoice submitted by the Consultant.

Section 3.5. Conflict of Interests

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

Sub-section 3.5.1. Consultant Not to Benefit from Commissions, Discounts, etc.

The payment of the Consultant pursuant to Article 7 shall constitute the Consultant's only payment in connection with this Contract or the Services, and the Consultant shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultant shall use their best efforts to ensure that the Personnel, any Sub-contractors, and agents of either of them similarly shall not receive any such additional payment.

Section 3.6. Confidentiality

Except with the prior written consent of GOGC, the Consultant and the Personnel 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 Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

Section 3.7. Documents Prepared by the Consultant to be Property of GOGC

All plans, drawings, specifications, designs, reports, and other documents prepared by the Consultant for GOGC under this Contract shall become and remain the property of GOGC after the payment of the appropriate Consultant's remuneration for the respective Service is made, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to GOGC, together with a detailed inventory thereof.

(a) The Consultant may retain a copy of such documents but may not use them for purposes unrelated to this Contract without the prior written approval of GOGC.

Section 3.8. Consultant's Actions Requiring GOGC's Prior Approval

The Consultant shall obtain GOGC's prior approval in writing before taking any of the following actions:

(a) entering into a subcontract for the performance of any part of the Services beyond the subcontracting arrangements specifically named in the Consultant's proposal;

(b) making material modifications to the subcontracting arrangements named in the Consultant's proposal;

(c) replacing, modifying or adding to such members of the Personnel listed by name in [Appendix C](#); and

(d) appointing such members of the Personnel not listed by name in such Appendix.

Section 3.9. Accounting, Inspection and Auditing

(a) The Consultant shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, receipt and use of goods and services and the bases thereof, and progress of the implementation of the work under the Contract.

Section 3.10. Indemnification

(a) The Consultant shall indemnify, defend and hold harmless GOGC and any GOGC officer, director, employer, affiliate, contractor, agent or representative from and against any and all claims, losses, actions, liabilities, costs, damages or expenses, including reasonable attorneys' fees and expenses (collectively, "the **GOGC Losses**") arising from or in connection with the negligence, bad faith or willful misconduct of the Consultant, or a

breach of this Contract by the Consultant, except if and to the extent that any such GOGC Losses are attributable to the gross negligence or willful misconduct of GOGC.

Section 3.11. Representations and Warranties of the Consultant

The Consultant hereby represents and warrants to GOGC that, as of the Effective Date:

(a) It is a [] company duly formed, validly existing and in good standing under the laws of the [], and has all requisite power and authority to execute and deliver this Contract and to perform its obligations and consummate the transactions contemplated hereunder;

(b) It has, and will have, the economic and financial capacity, general management, sustainability, and availability of professional staff to perform the Services, to perform its obligations and responsibilities hereunder, and to consummate the transactions anticipated hereunder, each as of the Effective Date and during the term of the Contract;

(c) It has duly authorized, executed and delivered this Contract;

(d) This Contract constitutes a valid and legally binding obligation of the Consultant, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights and subject to general equitable principles;

(e) Neither the execution and delivery of this Contract, nor the performance by it of its obligations hereunder will, with or without the giving of notice or the passage of time or both:

(i) violate any provision of any applicable laws and regulations;

(ii) violate the provisions of its organizational documents;

(iii) violate any judgment, decree, order or award of any court or governmental authority applicable to it; or

(iv) conflict with or result in the breach or termination of any term or provision of, or constitute a default under, any instrument or Contract to which it is a party or by which it or any of its assets is bound;

(f) No petition, notice, or order has been presented, no order has been made and no resolution has been passed for its bankruptcy, liquidation, winding-up or dissolution. No receiver, trustee, custodian or similar fiduciary has been appointed over the whole or any part of its income, nor does it have any plan or intention of, or have received any notice that any other person has any plan or intention of, filing, making or obtaining any such petition, notice, order or resolution or of seeking the appointment of a receiver, trustee, custodian or similar fiduciary;

(g) The Consultant, its Personnel, Subcontractors and associates have not been:

(i) blacklisted from participation in procurements by the State Procurement Agency;

(ii) debarred or suspended from participation in procurements;

(h) No payments have been made, or caused to be made, by the Consultant to any third party, in connection with this Contract in violation of any applicable Georgian laws.

Section 4.1. Description of Personnel

The Consultant shall employ and provide such qualified and experienced Personnel and Subcontractors as are required to carry out the Services. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are described in [Appendix C](#). The Key Personnel and Subcontractors listed by title as well as by name in the same Appendix are hereby approved by GOGC. The rights and duties of the Consultant's Personnel shall be defined in the contracts between such Personnel and the Consultant and, to the extent the Personnel and Subcontractors are located in Georgia, the Consultant shall comply, and shall ensure that all of its staff and Subcontractors comply, with all applicable Georgian laws and regulations regarding employment of Personnel or contracting with subcontractors in Georgia. To the extent such staff, as warranted, are located outside Georgia, the Consultant shall comply with all local labor laws and regulations as applicable.

Section 4.2. Removal and/or Replacement of Personnel

(a) Except as GOGC may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.

(b) If GOGC (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at GOGC's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to GOGC.

(c) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

(d) The Consultant shall be responsible for and shall take all necessary action with respect to any misconduct or failure of any Personnel or Subcontractors to comply with their respective contractual obligations or with the terms of this Contract. Further, upon the request of GOGC, the Consultant shall take all reasonable action requested by GOGC to address any misconduct or failure of all Personnel and Subcontractors. In the event of a removal or replacement of Personnel or Subcontractors, the Consultant shall ensure that in no event shall the process of replacing Personnel and Subcontractor delay, interrupt, or materially alter in any way the performance of the Services. The Consultant shall complete the process of the removal and replacement of such Personnel or Subcontractor within thirty

(30) days of the request from GOGC or the Consultant's notice to GOGC, or as otherwise agreed by GOGC.

ARTICLE 5.

ARTICLE 6. ACCEPTANCE OF SERVICE

(a) Services must be performed in accordance to the terms of the Contract and in form, substance, and quality satisfactory to GOGC.

(b) The date of submission of each Service shall be the date stated in the respective Acceptance Certificate.

(c) Service shall be deemed as accepted only after the Acceptance Certificate is signed by GOGC's and Consultant's Authorized Representatives, as designated in Section 1.7(a) and 1.7(b).

(d) GOGC may reject acceptance if and to the extent that provided Service is not compliant with the provisions of the Contract.

(e) Acceptance Certificate shall be signed by the GOGC within 30 (thirty) days after submission of the Service, provided that the Service corresponds to the Contract requirements.

(f) Justified comments, if any, shall be sent to the Consultant in writing within 30 (thirty) days after the submission. Consultant shall incorporate such comments and resubmit Service within a reasonable period determined by GOGC. If a particular Service is not accepted by GOGC due to material defect(s), the interest as determined under the Art 3.4 of the Contract shall also accrue to the Consultant from the Completion Date till new date of submission. The timeframe for acceptance defined under the section (e) shall start over after corresponding resubmission.

ARTICLE 7. PAYMENTS TO THE CONSULTANT

Section 7.1 Contract Price

The wording applicable to Consultant, which is a Georgian VAT-payer by the moment of signing the Contract:

The Contract Price is an all-inclusive fixed lump-sum amount for the performance of the Services described in [Appendix A](#) and represents the Consultant's entire compensation for completing the Services. The Contract Price includes all costs and expenses required to carry out the Services and all Taxes levied on the Services or imposed upon the Consultant in connection with or as a result of carrying out the Services.

The wording applicable to Consultant, which is not a Georgian VAT-payer by the moment of signing the Contract:

The Contract Price is an all-inclusive fixed lump-sum amount for the performance of the Services described in [Appendix A](#) and represents the Consultant's entire compensation for completing the Services. Without prejudice to the immediately following sentence, the Contract Price includes all costs and expenses required to carry out the Services and all Taxes (except for Georgian VAT) levied on the Services or imposed upon the Consultant in

connection with or as a result of carrying out the Services. For the avoidance of any doubts and notwithstanding anything to the contrary in this Contract or elsewhere, Georgian VAT shall not be added on the Contract Price if the Consultant is registered as a Georgian VAT-payer as per the Applicable Law after execution of this Contract.

Section 7.2 Contract Price amount

The Contract Price is [amount in words] USD [amount in figures].

Section 7.3. Terms and Conditions of Payment

Sub-Section 7.3.1 Payment to the Consultant

Payments under this Contract shall be made to the account of the Consultant in accordance with the payment schedule contained in the Consultant's Proposal, within ten (10) days upon delivery of an invoice, Acceptance Certificate signed by both parties and certificate (declaration) of residence issued by respective authority².

Section 7.5 Interest on Delayed Payments

If GOGC has delayed payments beyond due date stated in Sub-Section 7.3.1 of the Contract, interest, at the rate 0.05% on to be paid amount for each day of delay shall be paid to the Consultant until the actual date of the payment or the expiry of the Contract, whichever is earlier.

ARTICLE 8. BANK GUARANTEES

Section 8.1 Advance Guarantee (if applicable)

- (a) Guarantee for the advance payment shall be irrevocable, unconditional and:
 - (i) provided in the form outlined at Schedule 1 to these Contract; and
 - (ii) issued by an entity that is a bank, which possesses a credit rating of not less than "B+" according to Fitch Rating or other equivalent rating awarded by a recognized international rating agency, and
 - (iii) valid at least 60 (sixty) days after the Completion Date specified in the Contract;
- (b) GOGC shall be entitled to liquidate guarantee for Consultant failures to perform his contractual obligations fully and properly;
- (c) GOGC shall be entitled to recover unrealized advance from the guarantee (as applicable) if Contract is terminated as well as recover interests for delayed delivery (Section 3.4).
- (d) JSC "Georgian Oil and Gas Corporation" shall be indicated as beneficiary of the guarantee.
- (e) GOGC shall return guarantee within 30 days after Service is delivered and Acceptance Certificate is issued, provided that the fee associated with the bank

confirmation of the Purchaser's representative signature and for the postal services is paid by the Supplier.

Section 8.2 Performance Guarantee

(a) The Contractor shall, within 14 (ten) days following Effective Date, furnish the GOGC with unconditional and irrevocable guarantee for the full and proper execution/performance of the Contract in the form of the demand guarantee attached to this Contract as Schedule 2 and issued by an entity that: (1) is a bank; and (2) possesses a credit rating of not less than "B+" according to Fitch Rating or other equivalent rating awarded by a recognized international rating agency;

(b) The validity of the Guarantee must exceed the Completion Date specified in the contract for minimum 60 (sixty) days.

(c) The amount of the guarantee shall be 5% of the amount of the Contract Price.

(d) The performance guarantee shall be liquidated for Consultant's failure to perform his contractual obligations fully and properly.

(e) The performance guarantee shall be denominated in the currency in which the contract is payable.

(f) No payments shall be made in favor of the Consultant prior to the provision of the guarantee.

(g) The GOGC shall demand payment from the guarantee of all sums due to the Consultant's default under the Contract, in accordance with the terms of the guarantee and up to the value thereof. The guarantor shall, without delay, pay those sums upon demand from the GOGC and may not raise any objection for any reason whatsoever. Before making any claim under the performance guarantee, the GOGC shall notify the Consultant stating the nature of the default in respect of which the claim is to be made.

(h) Payment effected under guarantee shall not release Consultant from the liability to reimburse damage (loss) incurred by GOGC due to nonperformance of the Contract and not covered by guarantee amount.

(i) If Consultant is not able to provide Services within Completion Date then it shall be responsible to extend guarantee term in such a way that time period defined in subparagraph(b) is secured.

(j) JSC "Georgian Oil and Gas Corporation" shall be indicated as beneficiary of the guarantee.

(k) GOGC shall return guarantee within 30 calendar days after Service is delivered and Acceptance Certificate is issued, provided that the fee associated with the bank confirmation of the Purchaser's representative signature and for the postal services is paid by the Supplier.

(l) GOGC shall be entitled to recover recover interests for delayed delivery (Section 3.4) from the performance guarantee.

(m)

ARTICLE 9. GOOD FAITH

Section 9.1 Good Faith

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.

ARTICLE 10. SETTLEMENT OF DISPUTES

Section 10.1 Amicable Settlement

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

Section 10.2 Dispute Resolution

Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, that cannot be settled amicably by the Parties within thirty (30) days of notification of such dispute, controversy or claim, shall be finally settled by Georgian Court in accordance to the Applicable Law as defined in Section 1.1(a). Parties expressly waive recourse to any other form of Dispute Settlement.

5.6 ARTICLE 11. GENERAL PROVISIONS

Section 11.1 Assignment

(a) This Contract shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assignees.

(b) The Consultant may not assign, delegate, subcontract or otherwise transfer any of its rights or obligations under this Contract without the prior written consent of GOGC, such consent to be granted or withheld in GOGC's sole discretion, and with the prospective assignee executing an assignment and assumption agreement, signed by the Parties, under which the Consultant assigns to such assignee all of its right, title and interest to this Contract, and such assignee assumes all such rights and obligations of the Consultant then existing under this Contract.

(c) GOGC may assign, delegate, subcontract or otherwise transfer any of its rights and obligations under this Contract by notice to, but without the prior consent of, the Consultant.

Section 11.2. Non-waiver of Remedies

The Parties agree that no delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach, default or noncompliance by another Party under this

Contract, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring.

Section 11.3. Entire Contract

This Contract, including all attachments, and all certificates, documents or Contracts executed and delivered in connection with and in furtherance of this Contract, when executed and delivered, shall constitute the entire Contract of the Parties with respect to the subject matter hereof, superseding and extinguishing all prior Contracts, understandings and representations and warranties relating to the subject matter hereof.

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

For GOGC

For [*Consultant*]

- _____ -
[*Name and title of signatory*]

APPENDICES

Appendix A. DESCRIPTION OF SERVICES

Note: *This Appendix will include the final Terms of Reference worked out by GOGC and the selected Consultant during technical negotiations, as well as dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by GOGC, etc.*

Appendix B. REPORTING REQUIREMENTS

- (a) The output of each task of the Scope of Work shall be presented for the review of GOGC in accordance with the schedule agreed between the Parties;
- (b) The complete Feasibility Study based on the Scope of Work, together with the final reports.

Note: *This Appendix will include format, frequency, and contents of reports; persons to receive them; dates of submission; etc., as per the Terms Reference.*

Appendix C. KEY PERSONNEL AND SUBCONTRACTORS

Note: *List under:*

- C-1 Titles [and names], detailed job descriptions and minimum qualifications of Key Foreign Personnel to be assigned to work in Georgia, and staff-months for each.*
- C-2 Same information as C-1 for Key Local Personnel.*
- C-3 Same as C-1 for Key Personnel to be assigned to work outside Georgia.*
- C-4 List of Subcontractors; same information with respect to their Personnel as in C-1 through C-3.*

Appendix D. FEES AND RATES

6. SCHEDULE 1

Example Form of Advance Payment guarantee

DEMAND GUARANTEE

Re: [Description of the Contract]

Name and address of Beneficiary: GOGC, J.S.C

We have been informed that [**name of contractor**] (hereinafter called the Principal) is the contractor under Contract N -----, which requires him to obtain a financial security.

At the request of the Beneficiary, we [**insert name of bank**] whose registered at [**address of the bank**] hereby irrevocably and unconditionally undertake to pay you, the Beneficiary, any sum or sums not exceeding in total the amount of [**insert amount in figures and words**] (the guaranteed amount) upon receipt by us of your demand in writing and your written statement stating:

- (a) Principal is in breach of the obligations under the Contract, without your need to prove or show the grounds for your demand and
- (b) the amount, which the Principal has failed to repay.

Any demand for payment must contain the signatures of the Beneficiary's Chief Financial Officer, We must receive the authenticated demand and statement at this office not later than [**insert expiry date**] (the 'expiry date of the guarantee'). After such date, this Guarantee shall be automatically null and void.

This Guarantee shall be governed by the laws of [] and shall be subject to the Uniform Rules for Demand Guarantees, published as number 758 by the International Chamber of Commerce, except as stated above.

This guarantee is personal to you and is not transferable or assignable.

[Date & Signature]

Schedule 2

Example Form of Performance

Security DEMAND GUARANTEE

Re: **[Description of the Contract]**

Name and address of Beneficiary: GOGC, J.S.C

We have been informed that **[contractor]**, (hereinafter called the 'Principal') is your contractor under the Contract N ----- that requires it to obtain a performance security.

At the request of the Beneficiary, we **[name of bank]** whose registered at **[address of the bank]** hereby irrevocably and unconditionally undertake to pay you, the Beneficiary, any sum or sums not exceeding in total the amount of **[Insert amount in figures and words]** (the 'guaranteed amount') upon receipt by us of your demand in writing and your written statement:

- (a) stating that the Principal is in breach of its obligation(s) under the Contract, without your need to prove grounds for your demand and
- (b) providing brief description of such breach.

Any demand for payment must contain the signatures of the Beneficiary's Chief Financial Officer, which must be authenticated the Beneficiary's bank. The authenticated demand and statement must be received by us at this office on or before the **[Insert expiry date]** (the expiry date) when this guarantee shall expire and shall be returned to us.

This Guarantee shall be governed by the laws of **[insert jurisdiction]** and shall be subject to the Uniform Rules for Demand Guarantees, published as number 758 by the International Chamber of Commerce, except as stated above.

[Date & Signature]