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Circular No. 29/2015-cum-BL Amendment No. BL/01/90 and 02/70

No: MAT/PMC/13(13)/2015

Dated: 17.07.2015

Sub: Participation by MSEs in ONGC tenders and splitting tendered quantity among bidders in cases where Govt. policy for purchase preference is involved.

Reference is invited to circular No. 18/2014 dated 12.11.2014 whereby Public Procurement Policy for MSEs-Order 2012 has been notified for implementation in ONGC. The provisions of said circular *inter alia* provides that except for tender for LSTK contracts, MSEs shall be allowed to participate in all tenders invited by ONGC for procurement of goods/services, subject to production of valid Registration Certificate for the items for which MSEs intends to quote. Further, methodology for dividing tendered quantity among bidders eligible for purchase preference has also been elaborated vide said circular. Vide this circular *inter alia* it has also been notified that provisions for splitting tendered items shall not be kept in tender for procurement of services.

EPC, in its meeting (23/2015) held on 16.07.2015 noted that most of the oil industry specific services procured in ONGC are extremely sophisticated/specialized in nature. Thus, it is felt that Micro/Small nature of industries may not be able to meet the operational requirements for such highly skilled and specialized nature of services.

Hence, to safeguard organization's operational interests and also to prevent any mis-utilization of the provisions of said policy by bidders, certain sophisticated/specialized natures of services have been listed out as enclosed at **Annexure-1** wherein provisions notified in respect of MSEs shall not be applicable. All concerned are advised not to incorporate provision for allowing various benefits to MSEs in tenders for these services.

However in case some other services which are of specialized type and technical in nature and are not included in the above list and the Work Centre feels that benefits should not be given to MSEs, such services can be included by the Work Centre with the approval of EPC after giving detailed justification. Similarly, if for some service included in the above list, if the concerned Work Centre feels that the benefits need to be given to MSEs, same can also be done with the approval of EPC after giving detailed justification. Hence, that particular service shall then be deleted from the above list. Such decisions of EPC shall be communicated to PMC by the concerned Work Center for suitably modifying the list.

Further, policy for not incorporating the provisions for splitting tendered services and also the methodology for splitting tendered items in case of procurement of goods/services have also been reviewed in the aforesaid meeting of EPC.

Accordingly, relevant provisions under standard booklets for procurement of goods and services stand modified as enclosed at **Annexure-2**.

Provision on Public Procurement policy for MSEs-order 2012 notified vide circular No.18/2014 dated 12.11.2014 also stand modified to above extent.

Above guidelines shall be applicable for all future tenders including the tenders where techno-commercial bids are yet to be opened.

Above directives of EPC should be meticulously followed by all concerned.

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17/07/15

(C.R. Mohanty)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'ongcreports.net').
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3. CVO, ONGC, Jeevan Bharti Building, New Delhi.

Annexure-1

Sl. No.	Description of Services
1.	Hiring of all types of Drilling & Workover Rigs for Onshore & Offshore
2.	Hiring of all types of Directional Drilling Tools and Services
3.	Hiring of all types of Offshore Vessels, FPSO and Offshore Tankers
4.	Hiring of Logging Tools and Services
5.	Hiring of Diving Services
6.	Hiring of Helicopters and other Air Logistics Services
7.	Hiring of ROV Services
8.	Hiring of Offshore Cementing Services
9.	Hiring of Operation & Maintenance Services for all types of Offshore Vessels
10.	Hiring of Services for Operation & Maintenance of Turbines
11.	Hiring of Services for Operation & Maintenance of Drilling and Workover Rigs (Offshore)
12.	Hiring of Services for 2D & 3D Seismic Data Acquisition, Processing & Interpretation
13.	Hiring of Services for Drilling Of Horizontal & Multi-Lateral Wells
14.	Hiring of Services for Docking - Jack up & Jack Down
15.	Hiring of Services for Survey (VSP, Geochemical etc)
16.	Hiring of Services for Laying of Pipeline (Offshore)
17.	Hiring of Services for Soil Testing (Offshore)
18.	Hiring of Services for Rig Positioning & Towing (Offshore)
19.	Hiring of Whipstock Services
20.	Hiring of Services for Repair & Maintenance of Pipelines (Offshore)
21.	Hiring of Services for Inspection of Rigs
22.	Hiring of Well Stimulation Services - Onshore & Offshore
23.	Hiring of Services for securing of well and salvaging BOP (Offshore)
24.	Hiring of SBM
25.	Hiring of Gas Dehydration Services
26.	Hiring of Services for Geophysical and Geotechnical Survey
27.	Hiring of Mud Engineering Services using LTSOBM Chemicals
28.	Hiring of Marine Services
29.	Hiring of Fishing & Milling Services
30.	Hiring of Production Testing Equipment and Services (Offshore)
31.	Hiring of Well Engineering and Well Site Supervision for Offshore Rigs
32.	Hiring of Services for Intelligent Well Completion
33.	Hiring of Mud Engineering Services including Non Damaging Drilling Fluid
34.	Hiring of Subsea Equipment and Services

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Statement showing existing vis-a-vis modified provisions of standard booklets for procurement of goods and services

Clause No.	Existing Provisions	Modified Provisions
38.2, 36.2 at Annexure-1 of BL/01 and 02 respectively	In case of more than one such MSE qualifying for 15% purchase preference, the 20% supply shall be shared equally amongst such MSEs. However, in the opinion of ONGC if tendered items are non splitable or non-dividable, ONGC reserves the right to place order for supply of 100% quantity to lowest eligible MSE amongst the MSEs qualifying for 15% purchase preference.	<p>(i) In case of more than one bidder eligible for purchase preference, then the eligible MSE(s) shall be allowed to share portion of supply in the following manner:</p> <p>(a) In case of more than one such MSE bidder qualifying for 15% purchase preference, the 20% supply shall be shared equally amongst such MSEs.</p> <p>(b) In case 20% quantity cannot be further divided, ONGC shall place the order for supply of 20% quantity to lowest eligible MSE amongst the MSEs qualifying for 15% Purchase Preference.</p> <p>(ii) In the opinion of ONGC, if tendered goods/services cannot be divided in the ratio of 80% / 20%, then ONGC reserve the right to award on lowest eligible MSEs for quantity not less than 20% quantity, as may be dividable.</p>
29.2.1 at Annexure-1 of tender / contract conditions for services.	<p>In case participating MSEs quote price within price band of L1+15%, such MSE shall be considered for award of contract by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE.</p> <p>In case of more than one such MSE qualifying for 15% purchase preference, the contract shall be awarded to lowest eligible MSE amongst the MSEs qualifying for 15% purchase preference.</p>	<p>For example: In case tendered quantity is between 1 to 4 (not divisible in the ratio of 80:20), MSE shall get order for 1 no. only and the rest will go to L-1 (non-MSE bidder). Same analogy shall be applied for quantities which are not dividable in the exact ratio of 80:20.</p> <p><u>Notes:</u></p> <p>(i) In case of any other preferential policy applicable in a tender, distribution of quantities for supply of goods/services among eligible bidders shall be done in such a manner that eligible bidders get the share of minimum specified percentage for supply by them.</p> <p>(ii) In case tendered items cannot be procured from multiple sources or are absolutely non splitable or non-dividable, PO/Contract shall be placed for supply of 100% quantity to lowest eligible bidder, if any, amongst the bidders qualifying for purchase preference.</p>

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