



PMC Cell – MM

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**Circular No. 28/2018**

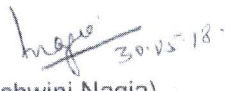
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**Sub: Experience Criteria in BEC for Service Contracts.**

Reference is invited to Circular No. 9/2018 dated 23.02.2018 whereby inter alia a new provision to address cases involving supply of material along with rendering of Services (Applicable for ICB tenders only) was introduced vide Clause no. 2.4 in Experience Criteria of BEC for Service Contracts.

A query has been received regarding status of the referred clause in respect of bidder and the company supplying the material both controlled by a ultimate controlling company. In order to bring more clarity and aligning with the intent of the subject clause involving same group of companies, the relevant provisions of BEC for Service Contracts stand modified as per Annexure-1

Above guidelines should be meticulously followed by all concerned.

  
(Ashwini Nagia)  
ED-Chief MM Services

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**Statement showing existing (notified vide circular No. 09/2018 dated 23.02.2018) vis-à-vis modified provisions of BEC for  
Service Contracts**

Clause No.	Existing Provisions	Modified Provisions
2.4	<p><b><u>(Applicable for ICB tenders only)</u></b> (Applicable for Cases where Supply of material is also involved along with rendering of Services)</p> <p>In cases where scope of work involves rendering services and supply of material also, the offer from a bidder who meets the experience criteria either on its own or based on the experience of the supporting company shall be accepted subject to meeting the condition laid down at Clause 2.2.</p> <p>In case bidder is not able to execute supply of material portion of the scope of work on its own, then it shall be allowed to supply material through other company provided that the bidder and the company supplying material belongs to same group of companies and the company supplying the material have 100% paid up equity share capital of the bidder either directly or through intermediate subsidiaries or vice versa.</p>	<p><b><u>(Applicable for ICB tenders only)</u></b> (Applicable for Cases where Supply of material is also involved along with rendering of Services)</p> <p>In cases where scope of work involves rendering services and supply of material also, the offer from a bidder who meets the experience criteria either on its own or based on the experience of the supporting company shall be accepted subject to meeting the condition laid down at Clause 2.2.</p> <p>In case bidder is not able to execute supply of material portion of the scope of work on its own, then it shall be allowed to supply material through other company provided that the bidder and the company supplying material belongs to same group of companies and</p> <p><u>either</u></p> <p><u>both are controlled by a Ultimate controlling company* either directly or through intermediate subsidiaries or vice versa.</u></p> <p><u>or</u></p> <p>the company supplying the material have 100% paid up equity share capital of the bidder either directly or</p>

	<p>through intermediate subsidiaries or vice versa.</p> <p>(* Herein a 'ultimate controlling company' is the one that holds hundred percent of the paid up share capital of the bidding company and company supplying material either directly or through its intermediate company or through 'any other company' within the ultimate controlling company)</p>
<p>The order on direct sale basis for supply of material shall be placed by ONGC directly on such group company of the bidder. However, the bidder shall be fully responsible for delivering the material at site including customs clearance and without any interruption in operation and without any additional cost to ONGC. In case of suspension of work due to non-availability of the material, zero rate shall be applicable for the service portion also and the bidder shall be responsible for all the consequences arising out of non-availability/delayed supply of the material including but not limited to forfeiture of Performance Bank Guarantee submitted by the successful bidder/contractor/supporting company(ies). For this purpose, the following information/document shall be submitted by the bidder alongwith techno-commercial bid:</p> <p>(I) The details of the group company supplying the material,</p> <p>(II) The role and scope of work to be performed by Bidder and aforesaid group company of the bidder</p>	<p>The order on direct sale basis for supply of material shall be placed by ONGC directly on such group company of the bidder. However, the bidder shall be fully responsible for delivering the material at site including customs clearance and without any interruption in operation and without any additional cost to ONGC. In case of suspension of work due to non-availability of the material, zero rate shall be applicable for the service portion also and the bidder shall be responsible for all the consequences arising out of non-availability/delayed supply of the material including but not limited to forfeiture of Performance Bank Guarantee submitted by the successful bidder/contractor/supporting company(ies). For this purpose, the following information/document shall be submitted by the bidder alongwith techno-commercial bid:</p> <p>(I) The details of the group company supplying the material,</p> <p>(II) The role and scope of work to be performed by Bidder and aforesaid group company of the bidder</p>

	<p>(III) A certificate from the Statutory Auditor or Company Secretary or one of the Directors of the bidding company to establish the relationship and equity percentage holding between bidder and the group company supplying the material.</p>	<p>(III) A certificate from the Statutory Auditor or Company Secretary or one of the Directors of the bidding company to establish the relationship and equity percentage holding between bidder and the group company supplying the material <u>and Ultimate controlling company, as applicable.</u></p>
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