



PMC Cell – MM

Oil and Natural Gas Corporation Ltd Corporate Materials Management

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Sub: Extension of existing contract on nomination basis.

Reference may be invited to standard tender / contract conditions on dealing with suspended/banned firm, which implies that except for the ongoing contract(s), if any which shall continue till expiry of their term(s), during the banning/suspension period no fresh contracts shall be awarded to the firms with whom business dealings have been suspended / banned.

It has come to the notice that in a case business dealings with a firm were banned by ONGC. Accordingly, no fresh contract was to be entered into with that firm and the only ongoing contract(s) were to continue till expiry of their term(s). However, one of the work centres extended the existing contract on nomination basis on the same firm with whom business dealings were banned. Such lapse has been viewed seriously by the Management.

In order to avoid above situations in future, all concerned are advised to strictly comply with the provisions under para 8.5.1 of Integrated MM Manual, which *interalia* stipulate that the procurement cases should be processed in time to meet the operational requirement, so that extension/award of contracts on nomination basis is avoided. Further, in exceptional circumstances where any contract is required to be extended, prior to extending the same/placing fresh POs/NOA/LOA, the status of the vendor should be ascertained in the list of suspension / banning firms available on MM website.

Above guidelines should be meticulously followed by all concerned.

C.R. Mohanty
06/01/16

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

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3. CVO, ONGC, Jeevan Bharti Building, New Delhi.