



PMC Cell – MM

**Oil and Natural Gas Corporation Ltd**  
Corporate Materials Management  
2<sup>nd</sup> Floor, Tower-A, Deendayal Urja Bhawan,  
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070  
Tel – (011)26752004 Fax – (011) 26129091

**Circular No. 38/2023 -cum- Integrated MM Manual Amendment No. 90**

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**Sub: Modification in provisions of additional Performance Security in Change Orders**

Reference is invited to para No. 19.4.3 of Integrated MM Manual which stipulates that in case cumulative change orders cause the final value to increase by more than 15% of initial tender value, then Performance Security(PS) should be obtained for higher amount. However, if the change in final value is less than 15%, then further PS is not required to be taken.

Empowered Committee (constituted by Director-I/c MM in accordance with the decision taken in EPC Meeting No. 02/2023 dated 20.01.2023) held on 11.04.2023 deliberated on above provision and subsequent to the approval of Director-I/c MM, the provisions of Integrated MM stands modified as per attached Annexure-I.

Above guidelines should be meticulously followed by all concerned.

(Sandeep Gupta)  
ED-Chief MM Services  
6/6/23

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## Existing vis-à-vis modified provisions of Integrated MM Manual

Para No.	Existing Provisions	Modified Provision	Remarks
19.4.3	In case cumulative change orders cause the <u>final value to increase by more than 15% of initial tender value, then PS should be obtained for higher amount. However, if the change in final value is less than 15%, then further PS is not required to be taken.</u>	<p>“In case cumulative change orders <u>value/ ceiling value</u> cause the <u>contract value</u> to increase by more than 15% of <u>original contract value</u>, then Performance Security should be obtained for higher amount <u>within 15 days of giving go-ahead to the Contractor for execution of the change order.</u> However, <u>if the cumulative change orders value/ ceiling value</u> cause the <u>contract value</u> to increase upto 15% of original contract value, then further Performance Security is not required to be taken.”</p> <p><u>In case if a contractor does not submit additional PBG for the incremental amount within 15 days of giving go-ahead notification by ONGC, ONGC would withhold the equivalent amount of additional PBG to be submitted by the contractor against the change order from any payments due to the contractor against the subject contract and release the same after submission, verification and acceptance of the additional PBG.</u></p>	Underlined portion modified

