



PMC Cell – MM

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

Circular No. 40/2023

No: DLI/CORP-MM/PMC/2023/13(185)/1096095

Dated: 07.06.2023

Sub: Learnings from Dry Docking Repair of Offshore Rigs

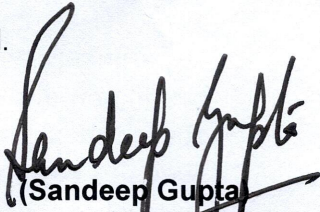
In a case of Dry Dock repair of an Offshore Rig, substantial increase in Contract value after award of Contract due to Variation in Quantity/Change Orders has been observed. Vigilance Department has opined that substantial increase in contract value after award of contract has a bearing on evaluation of bids in a competitive tender and tender process may get vitiated due to post award increase in contract value. Vigilance Department has also mentioned that some process needs to be devised to estimate quantum of work with reasonable accuracy and if required, an external expert agency can be hired for the same to avoid abnormal increase in Scope of Work after award of contract.

With the view to ensure that such type of instances do not happen in future, following needs to be ensured in Dry Docking Projects:

1. The scope of work needs to be framed as accurately as possible so that during actual repairs there is little scope of deviation from the tendered scope of work. For framing the Scope of Work accurately, an expert agency who has the capability and domain expertise to prepare the scope of work for offshore rigs, before the tender is invited, may be hired. Under water inspection, wherever required may also be undertaken during the process.
2. The external agency may be hired for preparing the scope of work and may also be entrusted with preparing the cost estimates as well as the estimated quantity of steel that would be required for repairs, wherever required.
3. Practices being followed by other Global Operators for assessing the Scope of Work of offshore rigs before they are sent for dry docking need to be examined and then the best industry practices need to be adopted.
4. A professional TPI agency may be engaged for inspections, verifications, monitoring and reporting of various aspects of the Project.
5. Wherever required, the Scope of Work, Technical Specifications, Special Terms & Conditions etc. may be reviewed, refined and modified for more clarity after the Pre-Bid meeting with

- bidders to enable them to submit realistic and qualitative bids based on complete understanding of the jobs.
6. Lesson's learned from previous projects to be considered and utilized for arriving at a realistic scope of work. The systems should be in place to ensure the same in future Projects.
 7. As per the 308th EC decision, the periodicity of dry-dock for all offshore jack up rigs should be 6-8 years.
 8. Inputs should be taken from all concerned sections (Electrical, Mechanical, Barge Engineer, Drilling, Cementing, Chemistry etc.) on various jobs related to repairs, renewals, modifications, overhauling etc. of equipment, machinery and systems.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services
7/6/23

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

All concerned may download the circular from the site. Hard copies are not distributed separately.