



PM Cell – MM

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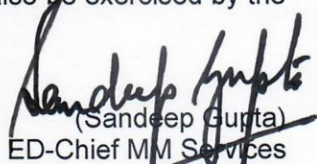
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Sub: Systemic Improvement Guidelines- Engagement of Consultants.

In one of the tenders for LSTK Contracts, the scope of work and tender documents were drafted by a Consultant appointed by ONGC. Due to certain discrepancies between scope of work and price format of the tender, the said tender was cancelled and re-invited after review of scope of work. Independent External Monitors (IEMs) have observed that due to re-invitation of the tender on the above grounds, considerable amount of effort, time and money of bidders and also that of ONGC have been spent, which could have been avoided. Further, Vigilance Department observed that there was no specific clause in the terms and conditions of the contract for engaging the Consultant, which could be exercised to levy penalty on the Consultant on account of deficiency in services.

In this context, it is informed that CVC has issued various guidelines with respect to engagement of Consultants, wherein inter-alia it is stipulated that a Consultant engaged by the employer (ONGC in this case) has to have a certain degree of accountability, on its part, for any advice and / or for any service rendered to the employer, keeping in view norms of ethical business, professionalism and the fact that such advice / service is being rendered for a consideration, as per the terms of the contract. At the same time, the employer also has to have its share of accountability, for accepting the advice and services, provided by the Consultant. To ensure adequate accountability, suitable tender terms and conditions for apportioning accountability, between the employer and the consultant, need to be incorporated in the tender as well as in the contract. Also, there should be suitable provisions to enforce, such accountability, in case of improper discharge of contractual obligations / deviant conduct / deficiency in services being provided by the Consultant.

In view of above, all concerned are advised to take note of the above guidelines and should ensure that suitable provisions for apportioning accountability, between the employer (ONGC) and the Consultant along with suitable provisions to enforce accountability in case of improper discharge of contractual obligations / deviant conduct / deficiency in services being provided by the Consultant are incorporated in Consultancy Contracts. Further, due-diligence should also be exercised by the Work Centres, while accepting the deliverables from the Consultant.


(Sandeep Gurta)
ED-Chief MM Services

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