



PMC Cell – MM

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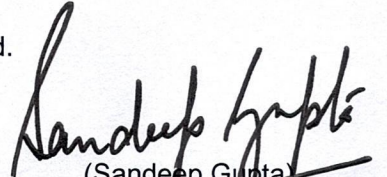
Sub: Avoidance of disputes due to Security Clearance

During examination of a case, Vigilance Department has observed that after award of contract for Hiring of services for 2D and 3D seismic data acquisition in offshore, clearance from MoD for complete area required for survey could not be obtained. The survey vessel could not be deployed during the period in which matter was taken up with MoD at ONGC/MoPNG level. Finally, as clearance was not forthcoming from MoD, contract was terminated. Due to complications caused by delay/non receipt of MoD clearance, Contractor approached arbitration tribunal for dispute resolution/ conciliation and the arbitration proceedings are going on.

Vigilance Department further observed that the dispute is rooted in the fact that tender was processed and order issued without ascertaining if clearance from MoD will be at all forthcoming.

In order to avoid such situation in future, all concerned are advised to examine, if all regulatory and statutory approvals can be obtained immediately upon award of contract, so that vessel/ other resources are not held up for MoD clearance/other regulatory clearances. This would also help in avoiding disputes between ONGC and the Contractor.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services
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