



PMC Cell – MM

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Corporate Materials Management

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**Circular No. 59/2020-cum- Integrated MM Manual Amendment No. 61/2020- cum -
BL Amendment No. BL/01/123, BL/02/97.**

No: MAT/PMC/13(40)/Development Order/2020

Dated: 02.12.2020

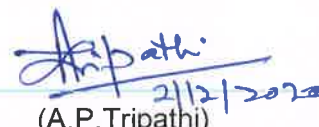
Sub: Development Order Policy.

Reference is invited to provisions on development order in IMM Manual and standard tender booklets for procurement of Goods.

EPC, in its meeting (14/2020) held on 22.10.2020 decided on Delinking of development Order from Tender Process and include services also under development order process.

In accordance with decisions taken in aforesaid meeting of EPC, relevant provisions of Integrated MM Manual and standard tender conditions stand modified as per Annexure-I and II respectively. Provisions to be incorporated in BEC for Procurement of Goods and Service Contracts are attached at Annexure-III. Development Order Policy of ONGC for uploading on ONGC tenders website, for information to vendors is attached at Annexure-IV.

Above guidelines should be meticulously followed by all concerned.


(A.P. Tripathi)

ED-Chief MM Services

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.

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1. EO to CMD, ONGC, New Delhi.
2. CEA to Director (F)/ Director (Offshore)/ Director (Exploration)/ Director (HR)/ Director (T&FS)/Director (Onshore), New Delhi.
3. CVO, ONGC, New Delhi.

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

Existing Para no 17.2(17.2.1 to 17.2.5) of IMM Manual stands deleted. New para 17.2 incorporated as under:

Para No.	Modified Provisions
17.2	New vendor development through development order process (Development Order Policy)
17.2.1	<p><u>Responsibility of Development Order Process:</u></p> <p>Development order process will be without linking to a regular tender. In order to have better management, reporting and smooth development order process, the development orders will be processed in centralized manner by INDEG group with the support of Corporate Technical Services and Corporate MM.</p> <p>As Development order without linking to regular tender will require independent budget, the Budget provision for Development Order shall be kept centrally with INDEG. Expenditure will be ultimately booked to work centre identified for field trial testing of items supplied against development order. INDEG shall be responsible for complete process starting from preparation of Purchase requisition to placement of Development Order including post contract issues, if any etc. INDEG shall also be responsible for activities that include co-ordination between vendor & concerned work centers for (i) Inspection of material (ii) Arrangement of QCC reports to work centers (iii) Ensuring earliest field trial by concerned work centers. Work center shall be responsible for activities of receipt of material and field trial testing.</p> <p>The Development Order Policy (DOP) shall be adopted for Capital Equipment, general spares of equipment and stores items (including chemicals). Development Order, for the time being, shall not be undertaken for works contracts / LSTK contracts. The development order for services may be processed as per Para 17.2.3 below.</p>
17.2.1.1	<p>The inspection function is required for:</p> <ul style="list-style-type: none">- Inspection of facilities of vendor including workshop, type of machines, capacity, load test of machines & capability of vendor.- To decide composition of any propriety material, being developed by vendor.- Stage inspection of a particular item, being developed first time in India.

Para No.	Modified Provisions
	<p>As Development order involves lot of checks with regard to facilities of the vendor and also other aspects, which are not normally required in case of a developed source, the responsibility of inspection as per scope in case of development orders will be of a competent TPI which should handhold ONGC QAD to enable them to subsequently takeover the job independently. Services of TPI agencies already empanelled with ONGC will be used. The appointment/engagement and payment of TPI Agencies will be done by ONGC in line with guidelines in vogue for regular cases.</p>
17.2.2	<p><u>Development order for Goods:</u></p> <p>The list of suitable items for development orders, shall be identified by INDEG in consultation with Corporate Technical Services and work centres. The list and any review/additions/deletions therein shall be carried out by INDEG along with Corporate Technical Services. List of items for development order may be reviewed periodically as per requirement.</p> <p>The above list of items for seeking request for placement of development order from probable domestic manufacturers will be published on the ONGC tender site "www.tenders.ongc.co.in" and the link for the same shall also be provided on the login page of e-tender website. Along with the list of items, INDEG will also upload the process of development order and other necessary details including technical specification for information of the vendors.</p> <p>The interested vendor(s)(Indian manufacturers only) seeking development order will send their request (categorically indicating the item(s) from such list for which vendor is seeking development order) to Head INDEG at the e-mail id as designated for this purpose on ONGC tenders website alongwith the supporting document in respect of their existing manufacturing facility, capability to manufacture the item for which they are seeking development order (e.g. details of existing manufacturing facility including machinery/equipment, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate, Manufacturing License, if any etc.).</p> <p>Request of indigenous manufacturers for development order for any other item may also be considered for examination and development order process.</p> <p>Besides publishing list of items identified by ONGC for placement of development orders, vendors may also suggest the items in use by ONGC which they can develop and supply.</p>

Para No.	Modified Provisions
17.2.3	<p><u>Development order for Services:</u></p> <p>Wherever it is feasible to award a development order for smaller quantities/period and low risk is involved in execution of development order, processing of development order for oil field services shall be allowed. In line with development of vendors for procurement of goods, development of vendors for services (especially those services which are required by multiple work centers and services which are required in the high tech areas) shall also be done by INDEG in association with Corporate MM.</p> <p>The request of indigenous service provider for development order for Oil field services may be considered for examination and development order process.</p> <p>The interested vendor(s) (Indigenous Service provider only) seeking development order may send their request to Head INDEG at the e-mail id as designated for this purpose on ONGC tenders website alongwith the supporting document in respect of capability to provide such services for which they are seeking development order (e.g. existing facility, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate etc.).</p>
17.2.4	<p><u>Expression of Interest (EOI):</u> INDEG in consultation with Corporate MM may also periodically publish EOI for Development Order in ONGC Tender website for wide publicity & will make efforts in identifying the probable vendors through industry insight reports/contacts.</p>
17.2.5	<p><u>Factory/Facilities inspection:</u> Subsequent to examining the request of the vendor for development order, ONGC after being prima facie satisfied that such domestic vendor (manufacturer/service provider) has Basic Capability to develop the item/provide the service, inspection of the factory/facilities will be carried out by Technical Team of ONGC (consisting of representative from QAD, INDEG, User and Authorized TPI of ONGC, if required). In case, factory/facilities inspection has already been carried out by ONGC earlier, then inspection of factory/facilities again may be waived off.</p>
17.2.6	<p><u>Formal Enquiry:</u> After satisfactory inspection of their factory/facilities and ascertaining their capability to manufacture the item/provide the service, formal enquiry along with ONGC tender conditions shall be issued through ONGC e-procurement-portal to such vendor seeking their quotation along with following terms and conditions:</p> <p>i) Quantity (and/or Scope of Services): As deemed necessary by ONGC to carry out field trial testing. [To be decided by INDEG in consultation with work center and Corporate Technical Services]</p> <p>ii) EMD: Not required.</p>

Para No.	Modified Provisions
	<p><u>iii)</u> Rates for Order placement: Rates quoted by the vendor or the rates at which ONGC has placed the latest order for the same item/service of same technical specifications/scope of work, whichever is lower.</p> <p>If any item/service being offered is not exactly the same as that of LPR, contract may be awarded after ascertaining reasonability of rates.</p> <p><u>iv)</u> Payment(Goods): 50% payment will be made after receipt of material at work center after prior satisfactory inspection and balance 50% will be made against the satisfactory performance certificate issued by ONGC after field trial testing.</p> <p>Payment (Services): On case to case basis. INDEG will decide payment terms on milestone basis.</p> <p><u>v)</u> Delivery/Completion Period: As quoted by bidder and mutually agreed between bidder and ONGC.</p> <p>It should be at the discretion of ONGC to grant time extension, if any, required to complete the development order.</p> <p>[The extension may be granted by CPA without TC. Any extension beyond 6 months shall only be considered if there are rational / compelling reasons for the same].</p> <p><u>vi)</u> PBG: Nil (No Performance bank Guarantee/Security Deposit shall be required).</p> <p><u>vii)</u> Liquidated Damages: Nil (Liquidated Damages shall not be applicable.)</p> <p><u>viii)</u> Terms and conditions: Except otherwise mentioned above, ONGC standard terms and conditions shall apply.</p> <p><u>ix)</u> Inspection (applicable for Goods) and Field Trial Testing: Quality Assurance Plan shall be developed by vendor, covering inspection & field trial testing both. Quality Assurance plan will be approved by INDEG in consultation with QAD. Inspection to be carried out by 'a team consisting of representative of QAD, TPI (if required) and INDEG.' Stage wise inspection, if required, may be done to ensure overall quality control. Inspection authority to be decided at the time of placement of order. After Satisfactory inspection, field trial testing will be carried out by the user. The duration of field trial shall be decided by ONGC.</p> <p>In case of services also, inspection (wherever required) and Field Trial Testing will be carried out in the same manner.</p>

Para No.	Modified Provisions	
	<p><u>x)</u> A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source only after satisfactory inspection and field trial testing and issuance of a certificate by Head INDEG.</p> <p><u>xi)</u> Development order shall be awarded subject to compliance of technical specification/scope of work, tender conditions including General Terms and Conditions.</p> <p><u>xii)</u> Vendors (bidders) may be informed that mere applying for development order and subsequent successful inspection of factory/facilities by ONGC, does not qualify any vendor for any assured development order(s) from ONGC.</p> <p><u>xiii)</u> Vendors may get their Chemical samples tested at ONGC labs on payment basis before/during development process. Wherever testing of chemical samples in ONGC labs is required as a part of inspection or sampling/bonding by ONGC, testing charges shall be on ONGC's account.</p> <p><u>xiv)</u> Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not guarantee the vendor any assured order(s) from ONGC.</p>	
17.2.7	<p>Restriction on no. of development Orders: Only one development order will be placed on a vendor at a time. On its successful development, the vendor may be considered for development order for other item (but one at a time) in case it applies for the same. However, any exception to this can be allowed in case it is manageable by the vendor concerned, with the approval of the Director - I/c INDEG.</p> <p>Not more than 3 Development Orders will be placed on different vendors (manufacturers)/service providers for the same item/service at a time (including development orders under execution).</p>	
17.2.8	INDEG will also provide all technical assistance to vendors, wherever required.	
17.2.9	Priority/initial application of developed products/services should be in low risk area.	
17.2.10	In case the bidder has satisfactorily executed development order (i.e. including satisfactory inspection and Field Trial Testing) for similar items/services in the past in ONGC/OIL , then the bidder does not have to satisfy experience criteria of BEC in ONGC. However, ONGC will reserve right to change this policy anytime in future.	

Para No.	Modified Provisions
	As OIL also uses items/services similar to ONGC, any product/service developed in OIL shall also be considered as proven source.
17.2.11	<u>Development Order, R/C for Spares:</u> Any vendor (Indian manufacturer) who want to develop generalised spares may be given opportunity to develop the generalised spares through development order process. Generalised spares once developed, can be purchased by work centre directly from the developed source(s). If required, rate contract can also be finalized for procurement of generalised spares with such developed source(s). Such developed vendor will be considered at par with OEM and the provisions applicable for OEM shall apply for Purchase of developed spares directly from such vendor.
17.2.12	<u>API license/monogram:</u> Requirement of API license and/or API monogram is part of Technical Specifications for some items. If domestic vendor (manufacturer) do not have the requisite API license and requests to allow them to develop items without API License/monogram, INDEG in consultation with user Dept. may take a decision to allow the vendor to develop item without API license/monogram, except for down-hole equipment, tubulars, critical handling tools and well control equipment etc. Inspection of the items will be done as per API Standards. Due caution and care shall be exercised while allowing the vendor to develop item without API license/monogram. However, while participating in regular tender, such developed vendor should have valid API license as per requirement of the tender.
17.2.13	Action like initiating the banning process or putting the vendor on Holiday for regular tenders will not be taken for non-execution of development order, however such vendors will not be considered for any other development order for a period of one year. The list of such vendors shall be maintained by INDEG along with period for which they will not be considered for any other development order.
17.2.14	Powers for placement of development order will be as per BDP. For clarity, existing provisions on reporting of nomination cases as stipulated at para 16.10.6 of IMMM shall not apply on development order process as this process is meant for development of vendor, which is different from procurement through nomination tender.
17.2.15	In view of above, suitable conditions shall be incorporated in RFQ for Development Order.

Annexure-II

Statement showing existing vis-à-vis modified provisions of Standard Booklet No. ONGC/MM/01, ONGC/MM/02 and standard tender /contract conditions for Service Contracts.

Clause No.	Existing Provisions	Modified Provisions	Remarks
Annexure-I (ITB)			
13.2 (MM01) 12.1 (MM02)	INDIAN BIDDERS 100% payment subject to prior satisfactory inspection and proof of dispatch provided conditions laid down vide sub-paras (a) to (c) below are fulfilled:- (a) For all orders <u>(including development orders)</u> exceeding Rs.1.00 lakh, security deposit/performance bond @ 12.2% of the value of order in all cases with the exception of contracts for Turnkey construction and platforms etc. for which security deposit/performance bond @ 12.2% of the value of the order has been furnished. (b) The goods have been insured by Supplier for losses, damages, breakages and shortages during transit at Supplier's cost and insurance cover in the name of ONGC sent alongwith documents. (c) Documents are negotiated through State Bank of India.	INDIAN BIDDERS 100% payment subject to prior satisfactory inspection and proof of dispatch provided conditions laid down vide sub-paras (a) to (c) below are fulfilled:- (a) For all orders exceeding Rs.1.00 lakh, security deposit/performance bond @ 12.2% of the value of order in all cases with the exception of contracts for Turnkey construction and platforms etc. for which security deposit/performance bond @ 12.2% of the value of the order has been furnished. (b) The goods have been insured by Supplier for losses, damages, breakages and shortages during transit at Supplier's cost and insurance cover in the name of ONGC sent alongwith documents. (c) Documents are negotiated through State Bank of India.	Underlined portion of existing Para deleted.
51. (MM01) 47. (MM02)	Placement of Development Order: (Applicable only for tenders invited for items specific to oil field industry). ONGC may consider development of new sources, at its sole discretion depending upon merit of the situation, for the category of items specific to oil field industry. However, bidders should note that mere sale / issue of tender document for development order, does not qualify	New vendor development through development order process : ONGC may consider development of new sources, at its sole discretion depending upon merit of the situation. Details of New vendor development through development order process (Development Order Policy)	Existing provision deleted. New provision added.

<p>any party for any assured development order(s) from ONGC.</p> <p>Domestic bidders, who participate in the tender and fulfill all the criteria of BEC, excluding past supply experience criteria, would be considered for placement of development order after satisfactory inspection of their plant and facilities and provided no development order is pending with such parties. Offers of such bidders for development order will be considered, only if they submit sufficient documentary evidence in support of their capability to manufacture the materials of the required quality and specifications, besides submitting an undertaking to the effect that no development order of ONGC is pending with them for execution.</p> <p>Development order shall be placed for a smaller quantity, maximum upto 20% of the tendered quantity, as necessary to carry out field trial testing.</p> <p>Rates at which development order is placed shall be the L-1 rate received in the tender or the rate quoted by the bidder in the tender which is being considered for development order, whichever is lower. As this bidder would not be considered in the regular tender, their price bid would be opened only after finalization of the tender.</p> <p>A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source, only after satisfactory completion of field trial testing and issuance of a certificate by the authorized officer of ONGC to this effect. Thereafter, offers of such developed / proven source will be considered against future tenders for the item(s) which has been so developed by the party.</p> <p>Payment for the item(s) supplied against development order will be made only against the satisfactory performance certificate issued by ONGC after field trial testing.</p> <p>Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not</p>	<p>in ONGC, are available on ONGC's tender website: tenders.ongc.co.in. The list of items for development order for seeking development order is also available on ONGC tender web site "www.tenders.ongc.co.in". Domestic vendors (Indian manufacturers only), who do not fulfill past supply experience criteria in a tender, may participate in development order process for items listed there.</p> <p>Request of indigenous manufacturers for development order for any other item may also be considered for examination and development order process.</p> <p>The interested vendor(s)(Indian manufacturers only) can send their request (categorically indicating the item(s) for which vendor is seeking development order) to Head INDEG, Oil and Natural Gas Corporation Ltd, Deendayal Urja Bhawan, 5-A Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070 at the e-mail id as designated for this purpose on ONGC tenders website alongwith the supporting documents in respect of their existing manufacturing facility, capability to manufacture the item for which they are seeking development order (e.g. details of existing manufacturing facility including machinery/equipment, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate, Manufacturing License, if any etc.).</p> <p>Vendors (bidders) to note that mere applying for development order and subsequent successful inspection of factory/facilities by ONGC, does not qualify any vendor for any assured development order(s) from ONGC.</p>	
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	guarantee the vendor any assured order(s) from ONGC.		
42. (Service Contract s)	No Provision exists	<p>ONGC may consider development of new service providers, at its sole discretion. Details of New vendor development through development order process (Development Order Policy) in ONGC, are available on ONGC's tender website: tenders.ongc.co.in. Domestic vendors (Indigenous Service provider only), who do not fulfill past supply experience criteria in a tender, may participate in development order process. Request of indigenous service providers for development order may be considered for examination and development order process.</p> <p>The interested vendor(s)(Indigenous Service provider only) seeking development order can send their request to Head INDEG, Oil and Natural Gas Corporation Ltd, Deendayal Urja Bhawan, 5-A Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070 at the e-mail id as designated for this purpose on ONGC tenders website along with supporting documents in respect of capability to provide such services for which they are seeking development order (e.g. existing facility, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate etc.).</p> <p>Vendors (bidders) to note that mere applying for development order and subsequent successful inspection of factory/facilities by ONGC, does not qualify any vendor for any assured development order(s) from ONGC.</p>	New provision added.
Annexure-II (GCC)			

9.1 (MM01)	No Performance security or in lieu thereof performance bond is necessary for purchase upto Rs. 1.00 lakh. Also performance security or in lieu thereof performance bond is not necessary for buys of spares or stores/capital items/ equipment of proprietary nature from original equipment manufacturers/ distributors/ sole selling agents/ authorised dealers. In other cases <u>(including the development orders)</u> the successful Bidder, within 15 (fifteen) days from the date of issue of LOA/NOA from the Purchaser, will be required to send Performance Security in the form of a Bank Draft / Cashier's/Banker's cheque / NEFT/RTGS/Electronic fund transfer to designated account of ONGC # or in lieu thereof, Performance Bond for an amount equivalent to 12.2% of the contract value in the form of a Bank Guarantee (or in the form of a Letter of Credit,) as per format at Appendix 1. Detailed P.O. shall be placed only after receipt of acceptable Contract Security (i.e. Security Deposit/Performance Bond).	No Performance security or in lieu thereof performance bond is necessary for purchase upto Rs. 1.00 lakh. Also performance security or in lieu thereof performance bond is not necessary <u>for development orders</u> and buys of spares or stores/capital items/ equipment of proprietary nature from original equipment manufacturers/ distributors/ sole selling agents/ authorised dealers. In other cases the successful Bidder, within 15 (fifteen) days from the date of issue of LOA/NOA from the Purchaser, will be required to send Performance Security in the form of a Bank Draft / Cashier's/Banker's cheque / NEFT/RTGS/Electronic fund transfer to designated account of ONGC # or in lieu thereof, Performance Bond for an amount equivalent to 12.2% of the contract value in the form of a Bank Guarantee (or in the form of a Letter of Credit,) as per format at Appendix 1. Detailed P.O. shall be placed only after receipt of acceptable Contract Security (i.e. Security Deposit/Performance Bond).	Underlined portion of existing Para deleted. Underlined portion in modified provision is added.
8.1 (MM02)			

<p>49. (MM01)</p> <p>39. (MM02)</p>	<p>APPLICABLE FOR DEVELOPMENT ORDERS:</p> <p>A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source, only after satisfactory completion of field trial testing and issuance of a certificate by the authorized officer of ONGC to this effect. Thereafter, offers of such developed / proven source will be considered against future tenders for the item(s) which has been so developed by the party.</p> <p><u>Payment for the item(s) supplied against development order will be made only against the satisfactory performance certificate issued by ONGC after field trial testing.</u></p> <p>Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not guarantee the vendor any assured order(s) from ONGC.</p>	<p>APPLICABLE FOR DEVELOPMENT ORDERS:</p> <p>A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source, only after satisfactory completion of field trial testing and issuance of a certificate by the authorized officer of ONGC to this effect. Thereafter, offers of such developed / proven source will be considered against future tenders for the item(s) which has been so developed by the party.</p> <p>Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not guarantee the vendor any assured order(s) from ONGC.</p>	<p>Underlined portion of existing provision deleted.</p>
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39. (Services)	No provisions exist		<p>APPLICABLE FOR DEVELOPMENT ORDERS:</p> <p>A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source, only after satisfactory completion of field trial testing and issuance of a certificate by the authorized officer of ONGC to this effect. Thereafter, offers of such developed / proven source will be considered against future tenders for the services which has been so developed by the party.</p> <p>Notwithstanding the above provisions, successful development and execution thereof does not guarantee the vendor any assured contract(s) from ONGC.</p>	New provision added.
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Annexure-III

Statement showing existing vis-à-vis modified provisions of BEC for Procurement of Goods, Service Contracts

SI No.	Clause No.	Existing Provisions	Modified Provisions	Remarks
1.	2.2 B1. Technical Rejection Criteria Goods- ICB/NCB	No provision exists	Bidders, who have successfully executed development order for << <i>items- to be mentioned by work centers</i> >> placed by ONGC/OIL pursuant to successful field trial testing would be considered as established source of supply and in that case, documents for satisfying BEC Clause B.1.2(a) and B.1.2(b) are not required to be submitted. However, such bidders shall submit the certificate towards satisfactory execution of development order pursuant to successful field trial testing along with the techno-commercial bid. For Development Order issued by ONGC after 02.12.2020, such certificate should have been issued by Head INDEG only.	New provision added
2.	2.7 B1. Technical Rejection Criteria Services- ICB/NCB	No provision exists	Bidders, who have successfully executed development order for << <i>Services- to be mentioned by Work centers</i> >> placed by ONGC/OIL pursuant to issuance of certificate in this regard shall be considered as proven source for the providing these services and in that case documents for satisfying BEC Clause 2.1(a)-I are not required to be submitted. However, such bidders shall submit the certificate towards satisfactory execution of development order pursuant to successful field trial testing along with the techno-commercial bid. For Development Order issued by ONGC after 02.12.2020, such certificate should have been issued by Head INDEG only.	New provision added

(For uploading on ONGC tenders website, for information to vendors)

New vendor development through development order process (Development Order Policy)

Para No.	Provisions
1	Development order process will be without linking to a regular tender.
1.1	The Development Order Policy (DOP) shall be adopted for Capital Equipment, general spares of equipment and stores items (including chemicals). Development Order, for the time being, shall not be undertaken for works contracts / LSTK contracts. The development order for services will be processed as per Para 1.3 below.
1.2	<p><u>Development order for Goods:</u></p> <p>The list of items for development orders has been published on the ONGC tender site “www.tenders.ongc.co.in” and the link for the same has also been provided on the login page of e-tender website. Along with the list of items, ONGC has also uploaded technical specification for information of the vendors. The interested vendor(s)(Indian manufacturers only) seeking development order can send their request (categorically indicating the item(s) from such list for which vendor is seeking development order) to Head INDEG, Oil and Natural Gas Corporation Ltd, Deendayal Urja Bhawan, 5-A Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070 (e-mail: _____) alongwith the supporting documents in respect of their existing manufacturing facility, capability to manufacture the item for which they are seeking development order (e.g. details of existing manufacturing facility including machinery/equipment, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate, Manufacturing License, if any etc.).</p> <p>Request of indigenous manufacturers for development order for any other item may also be considered for examination and development order process.</p> <p>Besides published list of items identified by ONGC for placement of development orders, vendors may also suggest the items in use by ONGC which they can develop and supply.</p>
1.3	<p><u>Development order for Services:</u></p> <p>Wherever it is feasible to award a development order for smaller quantities/period and low risk is involved in execution of development order, request of indigenous service provider for development order for any Oil field services may be considered for examination and development order process.</p>

Para No.	Provisions
	The interested vendor(s)(Indigenous Service provider only) seeking development order may send their request to Head INDEG, Oil and Natural Gas Corporation Ltd, Deendayal Urja Bhawan, 5-A Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070 (e-mail: _____) for Development order along with the supporting documents in respect of capability to provide such services for which they are seeking development order (e.g. existing facility, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate etc.).
1.4	Factory/Facilities inspection: Subsequent to examining the request of the vendor for development order, ONGC after being prima facie satisfied that such domestic vendor (manufacturer/service provider) has Basic Capability to develop the item/provide the service, inspection of the factory/facilities will be carried out by ONGC.
1.5	Formal Enquiry: After satisfactory inspection of their factory/facilities and ascertaining their capability to manufacture the item/provide the service, formal enquiry along with ONGC tender conditions shall be issued to such vendor seeking their quotation.
1.6	Development order shall be placed at the rates quoted by the vendor or the rates at which ONGC has placed the latest order for the same item/service of same technical specifications/scope of work, whichever is lower. If any item/service being offered is not exactly the same as that of LPR, contract may be awarded after ascertaining reasonability of rates.
1.7	Payment (Goods): 50% payment will be made after receipt of material at work center after prior satisfactory inspection and balance 50% will be made against the satisfactory performance certificate issued by ONGC after field trial testing. Payment (Services): On case to case basis as per milestone schedule specified in tender conditions.
1.8	<p>i) A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source only after satisfactory inspection and field trial testing and issuance of a certificate by ONGC.</p> <p>ii) Development order shall be awarded subject to compliance of technical specification/scope of work, tender conditions including General Terms and Conditions.</p> <p>iii) Vendors (bidders) to note that mere applying for development order and subsequent successful inspection of factory/facilities by ONGC, does not qualify any vendor for any assured development order(s) from ONGC.</p> <p>iv) Vendors may get their Chemical samples tested at ONGC labs on payment basis before/during development process. Wherever testing of chemical samples in ONGC labs is required as a part of inspection or sampling/bonding</p>

Para No.	Provisions
	by ONGC, testing charges shall be on ONGC's account.
	v) Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not guarantee the vendor any assured order(s) from ONGC.
	vi) An undertaking regarding development order under execution (if any) will be submitted by the bidder in its quotation.
1.9	<p>Restriction on no. of development Orders:</p> <p>Only one development order will be placed on a vendor at a time. On its successful development, the vendor may be considered for development order for other item (but one at a time) in case it applies for the same. However, any exception to this can be allowed in case it is manageable by the vendor concerned, with the approval of the designated authority of ONGC.</p> <p>Not more than 3 Development Orders will be placed on different vendors (manufacturers)/service providers for the same item/service at a time (including development orders under execution).</p>
1.10	INDEG will also provide all technical assistance to vendors, wherever required.
1.11	In case the bidder has satisfactorily executed development order (i.e. including satisfactory inspection and Field Trial Testing) for similar items/services in the past in ONGC/OIL , then the bidder does not have to satisfy experience criteria of BEC in ONGC. However, ONGC will reserve right to change this policy anytime in future.
1.12	Development Order, R/C for Spares: Any vendor (Indian manufacturer) who want to develop generalised spares may be given opportunity to develop the generalised spares through development order process.
1.13	API license/monogram: Requirement of API license and/or API monogram is part of Technical Specifications for some items. If domestic vendor (manufacturer) do not have the requisite API license and requests to allow them to develop items without API License/monogram, ONGC may take a decision to allow the vendor to develop item without API license/monogram, except for down-hole equipment, tubulars, critical handling tools and well control equipment etc. Inspection of the items will be done as per API Standards. However, while participating in regular tender, such developed vendor should have valid API license as per requirement of the tender.
1.14	If a vendor fails to execute a development order, such vendor will not be considered for any other development order for a period of one year.