



Oil and Natural Gas Corporation Ltd
Corporate Materials Management

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PMC Cell-MM

No: MAT/PMC/13(21)PPLC/2018 Dated: 11.06.2018
From: ED- Head PMC, Corp MM, 2 nd Floor, Vasant Kunj, Delhi
To: All Key Executives

Sub: Questionare Regarding PP-LC Policy.

The policy for providing Purchase Preference (linked with Local Content) (PP - LC) in all PSUs under MoPNG, was notified by Govt. for awarding a specified percentage of the tendered quantity to the lowest techno-commercially qualified LC bidder, subject to meeting certain conditions as stipulated in the said policy, which was implemented in ONGC vide circular No. 19/2017 Dated: 16.05.2017 and further aligned /clarified vide subsequent circulars.

As the annual review of the PP-LC Policy is due to be held soon, comments on implementation of PP-LC policy in ONGC have been sought by the MoPNG vide their letter dated 06.06.2018 (copy enclosed). A format has been designed to capture the relevant information, which is enclosed herewith. All the work centres are requested to provide requisite data as per the enclosed format positively by **14.06.2018**. Work centres are also requested to convey the issues experienced in the implementation of the above along with the suggestions.

Matter may please be treated as urgent.

(S Viswanathan)
ED- Head PMC
Officiating ED-Chief MM

Copy to:

- i) All I/c MMs

IMMEDIATE

FP-20013/2/2017-FP-PNG (Part 1)
Government of India
Ministry of Petroleum & Natural Gas

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Shastri Bhawan, New Delhi
Date 6th June, 2018

To

1. Chairman, IOCL
2. C& MD, BPCL/HPCL/ONGC/GAIL/EIL/OIL/ BLL/BLC
3. Managing Director, CPCL/NRL/MRPL/OVL

Subject: Purchase Preference Linked with Local Content (PP-LC) Policy – reg.

Sir,

The Policy to provide Purchase preference (linked with local content) (PP – LC) in all Public Sector Undertakings under Ministry of Petroleum and Natural Gas was approved by the Cabinet on 12.04.2017.

2. As the annual review of the PP-LC Policy will be held soon, it is therefore, requested that comments on implementation of PP-LC policy in your organisation, covering specifically the issue of whether there has been adequate competition, and whether the policy has resulted in any reduction in competition/ exclusion of non-local bidders or any cost increase to the purchasing PSU, particularly in respect of services & works contracts may please be provided to the undersigned by 15.06.2018 positively.

Yours faithfully



(Sudhansu Sekhar Mishra)

Under Secretary to the Govt. of India
Tel: 23073859

In addition to above data, based on Work Centres comprehensive experience since implementation of PP-LC policy, following questions in reference to MoPNG letter dated 06.06.2018 shall also be replied:

Question	Reply
Whether there has been adequate competition?	
Whether any reduction in competition has been observed after implementing PP-LC policy as compare to earlier procurement of similar goods/works/services(as applicable) ?	<p>Goods:</p> <p>Works Contracts:</p> <p>Services:</p>
Whether the implementation of PP-LC policy has resulted in exclusion of non-local bidders?	
Whether the any cost increase has been observed resulting from implementation of PP-LC policy?	