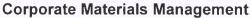
## Oil and Natural Gas Corporation Ltd





2<sup>nd</sup> Floor, Tower-A, Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070 Tel – (011)26752002 Fax – (011) 26129091

No: MAT/PMC/13(21)PPLC/2018

Dated: 11.06.2018

From: ED- Head PMC, Corp MM, 2nd 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.

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

Shastri Bhawan, New Delhi Date 6 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

(Sudhansa Sekhar Mishra) Under Secretary to the Govt. of India

Tel: 23073859

Details of the Case wherein Purchase Preference Policy (linked with Local Content) (PP - LC) was incorporated and successful bidder was eligible (techno-commercially qualified) LC bidder:

## Name of work centre:

SI No.	Case Description  (A)	Tender No.	Tender Value (Rs)	Contract/PO Value (Rs)	Whether successful LC bidder was L-1 bidder without availing purchase preference under PP-LC policy? (Yes/No)	Whether successful LC bidder was awarded contract after availing purchase preference under PP-LC policy?  (Yes/No)  (F)	If yes for column (F), then name of the LC bidder	Remarks/ Comments , if any  (H)
1.								
2.								
3.								
4.								
5.								

Work centres are also requested to convey the issues experienced in the implementation of the above along with the suggestions.

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)?	Goods: Works Contracts: Services:
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?	