



PMC Cell – MM

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Circular No. 16/2018-cum IMMM Amendment No. 33/2018-cum- BL Amendment No. BL/01/105 and BL/02/82

(Applicable for tenders invited under e-procurement mode with e-reverse option)

No: MAT/PMC/13(193)/2016

Dated: 18.04.2018

Sub: Implementation of e-reverse auction process in ONGC.

Reference is invited to circular No. 11/2015 dated 16.03.2015 whereby process of e-reverse auction was re-introduced in ONGC tenders on pilot scale for procurement of Type-A items where tender value is Rs 5 Cr and above. Based on the outcome of the reverse auction, PMC in consultation with Corp MM has examined the scope for extending of reverse auction to other items/services.

EPC meeting (04/2017) held on 06.02.2017, deliberated the issue & directed as under:

- (i) The Reverse Auction shall be implemented for the following items dealt by Corp MM, Delhi only where Tender value is Rs 5 Cr and above:
 - (i) EUE Production Tubing
 - (ii) Seamless line pipes
 - (iii) ERW line pipes
 - (iv) Regular Size casing pipes
 - (v) Heavy Weight Drill Pipes.
 - (vi) Drill Collar
- (ii) Instead of sequential reverse auction for a tender, separate auctions for each item/ group shall be done.
- (iii) System of Reverse Auction shall be reviewed after one year.

EPC also directed that for implementation of the Reverse Auction in respect of items where Anti Dumping Duty (ADD) is applicable, ICE team has to carry out modifications to the existing design architecture of Reverse Auction.

In accordance with the directive of EPC, ICE team has incorporated suitable modifications in system for implementation of Reverse Auction in such cases.

Provisions on reverse auction notified vide circular no. 11/2015 dated 16.03.2015 also stand modified to the above extent.

Above guidelines should be meticulously followed by all concerned.


(Ashwini Nagia)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'ongcreports.net').
All concerned may download the circular from the site. Hard copies are not distributed separately.

Copy to:

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

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

Para No.	Existing Provisions	Modified Provisions
8.3	Electronic Reverse auction	Electronic Reverse auction
8.3.4	<p>Operation: The event will be conducted through ONGC's online bidding software (SAP SRM), designed to streamline bid negotiations into a real-time bidding event. The price bids of shortlisted bidders shall be opened on the same day as the reverse auction event is to be conducted.</p>	<p>Operation: The event will be conducted through ONGC's online bidding software (SAP SRM), designed to streamline bid negotiations into a real-time bidding event. The price bids of shortlisted bidders shall be opened on the same day as the reverse auction event <u>commenced</u>.</p> <p><u>In case reverse auction for all items/group in a tender cannot be completed on same day, Tender Committee may decide to conduct reverse auction for balance items/groups on next working day and same may be informed to the bidders.</u></p>
8.3.7	<p>All line items in auction are open to bidding at the same time, but the auction shall close for one line item after the other.</p> <p>This process shall initially be held for a period of 30 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the first line item, the period of auction shall get extended automatically by 5 minutes (for "rank with L-1 price" option) and 10 minutes (for "rank only" option) from the time of submission of such bid. This process shall continue till no change in L-1 price of the first line item takes place in last 3 minutes. Then the auction will close for the first line item and auction for the remaining items will continue for a further period of 10 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the second line item, automatic extension shall be effected in similar fashion as explained above for the first line item.</p> <p>The process shall continue in a cascading way for all remaining line items</p>	<p><u>Separate auction event shall be held for each item/group evaluated.</u></p> <p>This process <u>of a reverse auction event</u> shall initially be held for a period of 30 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the first line item, the period of auction shall get extended automatically by 5 minutes (for "rank with L-1 price" option) and 10 minutes (for "rank only" option) from the time of submission of such bid. This process shall continue till no change in L-1 price of the first line item takes place in last 3 minutes.</p> <p>The process of reverse auction shall automatically close thereafter.</p>

Para No.	Existing Provisions	Modified Provisions
	<p>All bidders, regardless of their previous position, can submit their bid during the extension period also.</p> <p>The process of reverse auction shall automatically close thereafter.</p>	<p><u>Reverse auction for next item/group of the tender shall be initiated after closure of previous auction.</u></p>

**Statement showing existing vis-à-vis modified provisions in Annexure-I (Instructions to Bidders) of standard Booklets
ONGC/MM/01 & ONGC/MM/02 for tenders invited under e-procurement mode with e-reverse option**

Clause No.	Existing Provisions	Modified Provisions
50.3 & 46.3 in Annexure-I of BL/01 & 02 respectively	<p>Operation: The event will be conducted through ONGC's online bidding software (SAP SRM), designed to streamline bid negotiations into a real-time bidding event. The price bids of shortlisted bidders shall be opened on the same day as the reverse auction event is to be conducted.</p>	<p>Operation: The event will be conducted through ONGC's online bidding software (SAP SRM), designed to streamline bid negotiations into a real-time bidding event. The price bids of shortlisted bidders shall be opened on the same day as the reverse auction event <u>commenced</u>.</p> <p><u>In case reverse auction for all items/group in a tender cannot be completed on same day, Tender Committee may decide to conduct reverse auction for balance items/groups on next working day and same may be informed to the bidders.</u></p>
50.8 & 46.8 in Annexure-I of BL/01 & 02 respectively	<p>All line items in auction are open to bidding at the same time, but the auction shall close for one line item after the other.</p> <p>This process shall initially be held for a period of 30 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the first line item, the period of auction shall get extended automatically by 5 minutes (for "rank with L-1 price" option) and 10 minutes (for "rank only" option) from the time of submission of such bid. This process shall continue till no change in L-1 price of the first line item takes place in last 3 minutes. Then the auction will close for the first line item and auction for the remaining items will continue for a further period of 10 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the second line item, automatic extension shall be effected in similar fashion as explained above for the first line item.</p>	<p><u>Separate auction event shall be held for each item/group evaluated.</u></p> <p>This process <u>of a reverse auction event</u> shall initially be held for a period of 30 minutes. In the event of a bid received in the last 3 minutes resulting in change of prevailing L1 price of the first line item, the period of auction shall get extended automatically by 5 minutes (for "rank with L-1 price" option) and 10 minutes (for "rank only" option) from the time of submission of such bid. This process shall continue till no change in L-1 price of the first line item takes place in last 3 minutes.</p>

Clause No.	Existing Provisions	Modified Provisions
	<p>The process shall continue in a cascading way for all remaining line items</p> <p>All bidders, regardless of their previous position, can submit their bid during the extension period also.</p> <p>The process of reverse auction shall automatically close thereafter.</p>	<p>The process of reverse auction shall automatically close thereafter.</p> <p><u>Reverse auction for next item/group of the tender shall be initiated after closure of previous auction.</u></p>