



PMC Cell – MM

## Oil and Natural Gas Corporation Ltd

Corporate Materials Management

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Circular No. 56/2017

No: MAT/PMC/13(29)4-SC/2017

Dated: 15.12.2017

### **Sub: Implementation of Fair Wage Policy**

Reference is invited to the PMC circular no. 28/2013 dtd. 28.10.2013, wherein guidelines have been issued for implementation of Fair Wage Policy.

In accordance with the decision taken in 502<sup>nd</sup> meeting of EC held on 09.11.2017, vide amendment No.-5 dtd. 23.11.2017 (FN 1(1)/04-ER/2009 (**Annexure-1**)) ED-Chief ER has notified certain tender/contract conditions with respect to implementation of Fair Wage Policy with regard to Model Tender Document and Model Service Agreement for Composite Facility Management Services in ONGC.

Further, EC also directed that additional minimum wages and consequent additional payments such as Fair Wages and other charges to the contractual workers which has arisen due to abnormal increase notified in January 2017, to be reimbursed as on time case for running contracts.

In view of the above, all concerned are advised to suitably incorporate BEC/Tender/Contract conditions notified vide aforesaid amendment dated 23.11.2017 of ED-Chief ER (after carrying out minor modifications such as change in clause Nos./cross references of clause Nos. etc., if necessary), in the tender to be invited.

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.

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3. CVO, ONGC, DDU Bhawan, Vasant Kunj, New Delhi.



ऑयल एण्ड नैचुरल गैस कॉर्पोरेशन लिमिटेड  
कार्यालय अधिशासी निदेशक-प्रमुख, कर्मिक सम्बंध  
Oil and Natural Gas Corporation Limited  
Office of ED-Chief, Employee Relations  
"ग्रीन हिल्स", ग्राउण्ड फ्लोर ए-विंग, तेल भवन, देहरादून  
'Green Hills', Ground Floor, A-Wing, Tel Bhavan, Dehradun

No. 1(1)/04-ER/2009

Date: 23<sup>rd</sup> Nov 2017

**Model Tender Document Amendment No.5**

**Sub: Amendments to the Model Tender Document and Model Service Agreement for Composite Facility Management Services in ONGC - General Conditions of Contract - Instructions to Bidders and Change in Law provisions**

In partial modification of Model Tender Document and Model Service Agreement issued vide Office Order (59/2009) dated 6<sup>th</sup> Oct 2009 and Amendment No 4, of even no. dated 9<sup>th</sup> Oct 2013 on the above subject, the following instructions are conveyed for implementation and compliance.

2. EC in its 502<sup>nd</sup> Meeting held on 9<sup>th</sup> Nov 2017 has taken note of the amendments to Labour Laws effected by the Govt. of India in the recent years and the revision of Minimum Wages effected by the Govt. of India w.e.f 19<sup>th</sup> Jan 2017. The effect of such amendments to Labour Laws and revision of Minimum Wages, have a cascading effect on the Fair Wage Policy of the Company. EC deliberated the effect of such amendments, the increased labour costs imposed in the operating contracts and the need to address the same in future contracts.

3. Accordingly, approval of the EC is conveyed to modify the existing provisions related to Instructions to bidders and Change in Law provisions in the General Conditions of Contract providing for reimbursement of any additional cost, consequent upon revision of rates of VDA / Minimum wages and all social security benefits by Govt. Notification / amendments in Labour Laws with insertion of the following clause:

*"Consequent upon revision of rates of VDA / Minimum wages by Govt. Notification or amendments in Labour Laws, coming into effect after submission of price bid or revised price bid, if any, and during the currency of the contract, the Contractor shall be reimbursed by ONGC for additional expenditure due to such change, and also consequential change in all other components of Fair Wages only on the additional component.*

*Such reimbursement by ONGC shall be subject to production of documentary evidence by the Contractor of making such payment to the contract labour and depositing with the statutory authorities wherever required, to the satisfaction of ONGC and to the extent where such payment is directly attributed to change in VDA / minimum wages and all social security benefits by Govt. Notification / amendments in Labour Laws."*

4. Consequently, the existing provision which states, "*The bidder must take into account any possible changes / fluctuations in the applicable minimum wages from time to time and other statutory welfare measures under various labour legislations, while submitting the bid.*", shall stand amended accordingly.

5. Amendments to the existing provisions of the Model Tender Document and Model Service Agreement for Facility Management Services due to the above are also attached as Annexure. These are to be incorporated in all contracts where the Fair Wage Policy is to be implemented.

  
(Alok Misra)  
ED - Chief ER

Encl: Annexure as above.

Distribution: All concerned through ONGC Reports - Hard copies not being circulated.

## Statement showing existing vis-à-vis modified provisions of Model Tender Document and Model Service Agreement for Facility Management Services due to implementation of Fair Wage Policy

Clause No.	Existing Provisions	Modified Provisions
Annexure I to NIT Instruction to Bidders 3 Eligibility and experience of the bidder	1.7 The bidder must take into account any possible changes/fluctuations in the applicable minimum wages from time to time and other statutory welfare measures under various labour legislations, while submitting the bid.	1.7 Consequent upon revision of rates of VDA / Minimum wages by Govt. Notification or amendments in Labour Laws, coming into effect after submission of price bid or revised price bid, if any, and during the currency of the contract, the Contractor shall be reimbursed by ONGC for additional expenditure due to such change, and also consequential change in all other components of Fair Wages only on the additional component.  Such reimbursement by ONGC shall be subject to production of documentary evidence by the Contractor of making such payment to the contract labour and depositing with the statutory authorities wherever required, to the satisfaction of ONGC and to the extent where such payment is directly attributed to change in VDA / minimum wages and all social security benefits by Govt. Notification / amendments in Labour Laws.
ANNEXURE - VI SPECIAL CONDITIONS OF CONTRACT	1.3 The bidder must take into account any possible changes/fluctuations in the applicable minimum wages from time to time and other statutory welfare measures under various labour legislations, while submitting the bid.	1.3 Consequent upon revision of rates of VDA / Minimum wages by Govt. Notification or amendments in Labour Laws, coming into effect after submission of price bid or revised price bid, if any, and during the currency of the contract, the Contractor shall be reimbursed by ONGC for additional expenditure due to such change, and also consequential change

Clause No.	Existing Provisions	Modified Provisions
		<p>in all other components of Fair Wages only on the additional component.</p> <p>Such reimbursement by ONGC shall be subject to production of documentary evidence by the Contractor of making such payment to the contract labour and depositing with the statutory authorities wherever required, to the satisfaction of ONGC and to the extent where such payment is directly attributed to change in VDA / minimum wages and all social security benefits by Govt. Notification / amendments in Labour Laws.</p>

