



PMC Cell – MM

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Circular No. 28/2021 -cum- Integrated MM Manual Amendment No. 70/2021

No: CORP-MM/PMC/2021/750087

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Sub: Vendor Empanelment

Reference is invited to PMC Circular 06/2015 dated 31.01.2015, vide which provisions with regard to Vendor Empanelment as per Para 17.3 in IMM Manual are to be implemented after issuance of detailed guidelines.

EPC in its meeting (13/2021) held on 10.08.2021 has reviewed the provision for Vendor Empanelment in IMM Manual and has decided as under:

- i) Process of empanelment of vendors will be implemented for all items/services being procured on regular basis by different work centers including civil works for preparation of site for Drilling/Workover Rigs, laying & maintenance of pipelines, where deemed-exports benefits are not available. Empanelment of vendors will also be carried out for LSTK contracts, wherever feasible.
- ii) Vendors will be empaneled only for cases where annual procurement value is more than Rs.1 cr. on overall ONGC basis. Work center will decide on the type of tender to be invited i.e. indigenous tender or ICB tender, based on the availability of vendors and various guidelines on procurement. Vendor empanelment process will not be applicable for services, where QCBS or least cost selection criteria is required to be followed.
- iii) Empanelment of vendors, for the items/services being procured by Corporate MM, ONSG and Offshore Drilling Services, will be done by these work centers.

For items to be procured by other work centers, respective Directorate shall decide the items/services for which vendors are to be empaneled and nominate the work center for empaneling the vendors for those items/services. These empanelled vendors will be utilized subsequently by all the work centers of ONGC for inviting limited tender for these item/service.

- iv) Further, the process of empanelment of vendors will be initiated for such items/services where sufficient numbers of vendors (i.e. at least 3 prospective vendors) are available.

The list of the items/services for which vendors are to be empaneled will be reviewed every year for addition/deletion of item/service based on the past experience, with the approval of Concerned Director.

- v) Initially empanelment process shall be carried out for selected items / services to be identified by Chief MM in consultation with concerned Directorates so that the efficacy and robustness of the empanelment process can be closely observed prior to scaling

it up. Empanelment process shall initially be carried out for a period of 6 months i.e. upto February'2022. PMC shall capture the lessons learnt and based on the same, the complete Empanelment procedure shall be reviewed for further improvement and the outcome shall be submitted to EPC after 6 months of implementation. The process of invitation of Limited Tender from already empaneled vendors and opening of empanelment window will be continued, pending review and will not be kept on hold. However, empanelment of any fresh / new item (s) shall be undertaken only after review of the empanelment policy and subsequent directions by EPC.

In accordance with decision taken in aforesaid meeting of EPC, the provision of Integrated MM Manual stands modified as per Annexure-I.

Above guidelines should be meticulously followed by all concerned.


(A. P. Tripathi)
ED-Chief MM Services

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Annexure-I

Modified provision under para 17.3 of Integrated Materials Management Manual.

Existing para 17.3 of Integrated Materials Management Manual stands deleted and new para incorporated as under:

Para No.	Modified Provisions
17.3	Vendor Empanelment
17.3.1	<p>Vendor empanelment should be carried out as a practice for items/services being procured on regular basis by different work centers including civil works for preparation of site for Drilling/Workover Rigs, laying & maintenance of pipelines, where deemed-exports benefits are not available. Empanelment of vendors can also be carried out for LSTK contracts, wherever feasible. Vendor Empanelment will be carried out only for cases where annual procurement value is more than Rs.1 cr. on overall ONGC basis.</p> <p>For the services/LSTK Contracts, wherever consortium arrangement is allowed, Vendor empanelment process will not be carried.</p> <p>Vendor empanelment process will not be applicable for services, where QCBS or least cost selection criteria is required to be followed.</p> <p>Vendor empanelment can work along with other best practices including category management as well as best practices of tender execution such as quality and cost based selection (QCBS) or lowest cost based selection (L1).</p>
17.3.2	The empanelment always occurs for a combination of vendor along with category, item or service. Empanelment of vendors for any item/services can be done with the approval of concerned Director.
17.3.3	Empanelment of vendors shall be processed by work centers through tender Committee with the approval of concerned Director.
17.3.4	<p>Vendor empanelment will be for a period of 3 years.</p> <p>Vendors will be de-empaneled, in case of suspension of business dealing with them as per tender conditions and provision of this IMM Manual. Period of de-empanelment will be co-terminus with the suspension period. After completion of suspension period, vendor will have to participate in the fresh empanelment through empanelment window which is being opened every year.</p>
17.3.5	<p>Empanelment of vendors, for the items/services being procured by Corporate MM, ONSG and Offshore Drilling Services, will be done by these work centers.</p> <p>For items/services to be procured by other work centers, respective Directorate shall decide the items/services for which vendors are to be empaneled and nominate the work center for empaneling the vendors for those items/services. These empanelled vendors will be utilized subsequently by all the work centers of ONGC for inviting limited tender for these items/services.</p>

	<p>Further, the process of empanelment of vendors will be initiated for such items/services where sufficient numbers of vendors (i.e. at least 3 prospective vendors) are available.</p> <p>The list of the items/services for which vendors are to be empaneled will be reviewed every year for addition/deletion of item/service based on the past experience, with the approval of Concerned Director.</p>
17.3.6	<p>Methodology for Empanelment and subsequent award of order after finalization of requirement/ scope of work:</p> <p>I. Empanelment shall be done by inviting an open tender through ONGC e-tender portal. Work center will decide on the type of tender to be invited i.e. indigenous tender or ICB tender, based on the availability of vendors and various guidelines on procurement. Tender will be invited by following Standard Terms and conditions as applicable along with required Technical specifications / scope of work.</p> <p>Bidders shall be asked to submit their techno-commercial proposal, as per the requirement of tender. Documentary evidence in support of their claim to fulfil the requirement of BEC (Technical & commercial) shall also be provided by the bidders alongwith undertakings required to be furnished by them.</p> <p>II. Criteria for short-listing of Bidders for empanelment shall be techno-commercial only, which is as under:</p> <p>a) Technical Capabilities of the bidders will be evaluated in line with requirements of Technical BEC to be framed on case to case basis.</p> <p>b) Commercial Capabilities of the bidders will be evaluated in line with requirements of Commercial BEC. The following commercial declarations/ appendices shall be obtained from the bidders during empanelment:</p> <ul style="list-style-type: none"> (i) Power of attorney (ii) Integrity Pact (iii) Back up authority letter from manufacturer (In case of materials) (iv) Various other generic Proformas and declarations to be obtained at the time of empanelment as per existing standard commercial BEC & tender conditions. <p>In case of materials, vendors are allowed to quote with back-up authority letter from the concerned manufacturer. Such back-up authority letter should be valid till execution of all the contracts awarded against empanelment.</p> <p>Similarly, for services, in case bidder has submitted the bid on the basis of technical experience of another company (supporting company), then the required arrangement and undertaking/corporate guarantee/ required documents should remain valid till execution of all the contracts awarded against empanelment.</p>

	<p>Bidders will be asked to submit an undertaking/confirmation to the effect that at the time of inviting Limited tender from empaneled vendors, they will be required to maintain minimum local content requirement as per prevailing guidelines.</p> <p>No EMD will be required for empanelment of vendors.</p> <p>c) Financial Criteria: The applicability of the financial criteria at the time of empanelment will be decided based on the estimated cost for minimum quantity for which bidders were allowed to quote in the tenders invited in last three years. As price bids are not being sought during the empanelment tender, minimum requirement for turn-over and net-worth will be mentioned upfront in the tender for empaneling the vendors.</p> <p>Subsequently, while inviting limited tender from the empaneled vendors, financial criteria will be as per existing guidelines. It will be specified in the tender for empanelment that bidders will be required to meet financial criteria, if applicable, at the time of inviting limited tenders from the empaneled vendors.</p>
	<p>III. Subsequent to empanelment, limited tender shall be invited among the empaneled vendors. Such limited tender shall be invited through ONGC e-tender portal or GeM portal by incorporating the Additional Terms and Conditions (ATC) with regard to awarding the contract/PO only to Empaneled vendors. Such limited tenders are not required to be published again in tender website with PQC, since the original empanelment process has gone through competitive bidding.</p>
	<p>IV. Empanelment window for fresh empanelment in the subsequent years: The empanelment window for fresh empanelment shall be opened every year for empanelment of new vendors. However, after empanelment of vendors for the first time for a particular item/service, empanelment window shall also be opened within 6 months of the empanelment to enable left out eligible vendors to get empaneled. After evaluation, new qualified vendors, if any, shall be added to the list. Any vendor who is already empaneled but desires to propose any changes shall be required to participate in the evaluation during opening of fresh empanelment. The vendors empaneled during the yearly cycle shall only be allowed to participate in tenders being floated after they are empaneled. These bidders shall not be considered for the ongoing tenders. The term period of empaneled bidders in the yearly cycle shall be co-terminus with that of the bidders empaneled during the initial phase. Empanelment process shall be completed within 90 days.</p>
	<p>V. The offers received from vendors for empanelment shall be evaluated by the respective groups namely Technical, MM & Finance and recommendations for empanelment shall be put up to concerned Director through a TC consisting of I/c MM, I/c Finance & L-2 of indenting section.</p>
	<p>VI. Items/Service wise list of empanelled vendors along with detailed contract conditions shall be uploaded on the MM website for information of work centers and inviting limited tender from empanelled agencies. To facilitate this, work center responsible for empanelment shall provide these details immediately after empanelment to PMC for uploading in MM website.</p>
	<p>VII. In case, number of vendors empanelled for an item/service is less than 3, then procurement/hiring of such item/service will be done through other mode of tendering and not by inviting limited tender from empanelled vendors. However, in such cases (i.e. where</p>

	<p>number of empanelled vendors are less than 3), empanelled vendors will be considered meeting technical experience criteria and will not be required to submit the documents in this regard. Suitable provision in BEC will be incorporated by work center while inviting such tenders.</p>
	<p>VIII. Around six months before expiry of normal empaneled period, the qualification criteria for empanelment shall be reviewed based on extant guidelines on procurement and experience gained. Empaneled vendors will be requested to submit their offer for renewal of their empanelment based on the above along with the other requisite documents as considered necessary by work center in line with (II) above.</p> <p>Renewal of empanelment for already empaneled vendors shall be done based on the response of the vendors. The renewal process shall be completed before expiry of existing empanelment period. Empaneled vendor must have participated in at least one of the subsequent limited tenders invited from empaneled vendors. Otherwise they will not be considered for renewal of empanelment for that item/service/works.</p>
	<p>IX. Subsequent to empanelment of vendors, limited tenders will be invited by respective work centers with firm scope of work/technical special conditions of contract, if any. Empaneled vendors while submitting the bid shall confirm that there is no change in the details/documents/confirmations submitted by them during empanelment.</p> <p>The bid security requirement shall be exempted for all limited tenders to be invited from the empanelled vendors. All the bidders shall be required to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the NIT, they will be suspended for the period of two years. Further, for eventualities mentioned above for post award of contract, the suspension of two years shall take place, in case the work center decides to cancel the NOA/contract due to non-submission of performance security or non-signing of contract. The suspension of business dealing with vendor shall be based on the outcome pursuant to conclusion of an enquiry process and with due approval of Competent Authority [i.e. CPA not below L-1; concerned Director for cases falling in the powers of Director and EPC]. The said competent authority shall also be vested with the power to appoint the Enquiry Officer for conducting enquiry.</p> <p>Limited Tender enquiry shall be issued to all the vendors empanelled for particular items/services. Empanelled vendors will be provided 10 days' time to submit their offer/bid.</p> <p>In case of change in General Terms & Conditions of tender document subsequent to empanelment, acceptance of such tender Terms & Conditions will be obtained while inviting limited tender enquiry from empanelled vendors.</p> <p>This limited tender enquiry shall mainly consist of the following:</p> <ol style="list-style-type: none"> 1. Confirmation from the Bidder that there is no change in the details/documents/confirmations submitted by bidder during their empanelment. 2. Acceptance of scope of work/technical special conditions of contract as per tender.

	<p>3. Power of attorney.</p> <p>4. Integrity Pact</p> <p>5. Back-up authority letter from manufacturer (In case of materials).</p> <p>6. Acceptance of General terms & conditions modified subsequent to empanelment.</p> <p>7. Details regarding various purchase preference policies, if any.</p> <p>8. Documents with regard to Financial Criteria, if applicable.</p> <p>9. Undertakings/Declaration w.r.t. banning and confirmations for submission of genuine documents etc.</p> <p>10. Any Certificate such as API, BIS, ISO (if applicable) pertaining to an items/services having specific validity.</p> <p>11. Price bid.</p> <p>12. Any other documents considered necessary by the work center</p> <p>Contractor/supplier shall be required to submit the security deposit. The Payment to the contractor will be made by the work center as per empanelment conditions.</p>
	<p>X. Post Contract issues after award of order shall be handled by work centers placing the order.</p>