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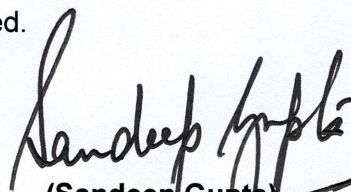
Sub: Negotiation after award of contract

During scrutiny by Vigilance of a charter hire case, it has been observed that the Work Centre resorted to negotiation in prices after award of work, despite no provisions in IMMM.

Post award negotiation brings distortion in tendering process and can provide ground for unequitable, non-transparent dealing which is against the principle of public procurement. Post award of contract, negotiations are not desirable as they may bring subjectivity and arbitrariness in the decision making process. All concerned to take note that they should not negotiate post award of contract, as this could be seen against basic principles of corporate governance which also impacts ONGC's brand image among its stakeholders.

However, in rarest of rare case, if post award negotiations are necessarily required, it can be brought to EC for its consideration.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services
20/6/23

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