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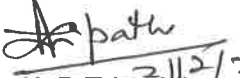
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Sub: Modifications to the provisions of Integrated MM Manual, pertaining to procurement of Premium Bits on “Consignment basis”

In accordance with the decisions taken in the EPC meeting (05/2015), (18/2015 & 21/2015) and (19/2018) held on 03.02.2015, 09.06.2015 & 08.07.2015 and 27.08.2018 respectively, provisions under para 28 of Integrated MM Manual pertaining to procurement of Premium Bits on “Consignment Basis” stand modified as per enclosed Annexure-1.

Above guidelines should be meticulously followed by all concerned.


(A.P. Tripathi)
21/12/2020

ED-Chief MM Services

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

Para No.	Existing Provisions	Modified Provisions
28	Procurement of Premium Bits on “Consignment basis”	Procurement of Premium Bits on “Consignment basis” <u>and through out right purchase (Rate Contract)</u>
28.1.1	Procurement of Bits should be on the basis of QCBS tender through ICB bids. The weight of quality /technical content in the overall bid selection criteria can be as high as 100%.	<p>Procurement of Bits should be on the basis of QCBS tender through ICB bids. The weight of quality /technical content in the overall bid selection criteria can be as high as 100%.</p> <p>Bits shall be procured under following two categories:</p> <ul style="list-style-type: none"> (i) Uncommon and special premium bits shall be procured on “Consignment Basis”. (ii) Premium bits required for regular and routine usages shall be procured through Rate Contract model. <p>Chief Drilling Services shall develop suitable mechanism to ensure that there is no built-up of inventory of premium bits.</p>
28.1.6	Selection of suitable TCR/PDC bit of any size from the available lot of bits will be made by ONGC.	<p>Bidder should submit price bids separately for each “Type and Size of bits”, as per the following:</p> <ol style="list-style-type: none"> 1. 17 1/2" TCR bits. 2. 12-1/4" TCR bits. 3. 8-1/2" TCR bits. 4. 6" TCR bits. 5. 17-1/2" PDC bits. 6. 12-1/4" PDC bits. 7. 8-1/2" PDC bits. 8. 6" PDC bits. <p>Bidder can quote for minimum one “Type and Size of</p>

			<p>bits” and maximum eight “Type and Size of bits” as per above details. Bits are required for Petroleum Operations/ NELP areas. Bidder has to quote for all work centre of ONGC (as per the list attached) of the quoted Type and Size of bit.</p> <p>Since features of the bits for any particular size and type are different for different bidders, bidders to furnish details of the bits in the format as per Annexure-.....(work centre to indicate Annexure No. and enclose the same).</p> <p>Bidders to submit size and type wise (TCR & PDC) bit details in the format specified (Bit Format-TCR and Bit Format-PDC / Bi-Centre / Impreg / Others) for evaluation purpose in technical bid. Bidders to mention any additional feature & its advantage against each type of bit in that same format. Based on these information furnished in the bit format for each size and type of bits, nearest common bits will be identified and the list of such bits for each size and type shall be made before price bid opening.</p> <p>ONGC’s decision on selection of nearest common bits will be final and will be informed to shortlisted bidders, before price bid opening.</p> <p>Primarily size & IADC (for TCR only) will be matched. Common design features will be matched next against bits nomenclature of shortlisted bidders of each category. If minimum eighty percentages (80%) of design features as per bit format is matched, it will be considered as common bit.</p>
28.1.8	Supplier shall mobilize the initial quantity within 35 days of placement of S.O. Subsequent call-out orders shall be placed by the authorized representative of ONGC, as and when required. Such call out quantity	the initial quantity within 35 days of placement of S.O. Subsequent call-out orders shall be placed by the authorized representative of ONGC, as and when required. Such call out quantity	Supplier shall mobilize the initial quantity within 35 days of placement of S.O. Subsequent call-out orders shall be placed by the authorized representative of ONGC, as and when required. Such call out quantity has to be

	has to be delivered within 15 days of issue of call-out order.	delivered within 15 days of issue of call-out order.
28.2	Payment Process	Payment Process
28.2.1	Invoice shall be raised by supplier on monthly basis for bits consumed during the month and the bits retained by ONGC at the end of contract period	Invoice shall be raised by supplier on monthly basis for bits consumed during the month and the bits retained by ONGC at the end of contract period <u>There shall be no minimum guaranteed off-take by ONGC. Payment shall be released by ONGC only for the actual quantity consumed or retained beyond 06 months by ONGC as per contract provisions.</u>
28.4.2	Two Bids System shall be followed in the Price Bid and bidder shall submit the price list of the offered products. The price list shall cover the sizes required by ONGC for TCR & PDC bits under their product range. Bidder shall submit separate sealed price covers for each size of Bits, say 17 ½", 12 ¼", 8 ½" & 6". For any other sizes Appendix9&10 will be framed by Bit Committee [as constituted by Director (T&FS)] on requirement basis.	Two Bids System shall be followed in the Price Bid and bidder shall submit the price list of the offered products. The price list shall cover the sizes required by ONGC for TCR & PDC bits under their product range. Bidder shall submit separate sealed price covers for each size of Bits, say 17 ½", 12 ¼", 8 ½" & 6". For any other sizes Appendix9&10 will be framed by Bit Committee [as constituted by Director (T&FS)] on requirement basis.
28.4.3	Bidders shall be technically ranked as per the net marks scored against the evaluation criteria placed at Appendix 9. Bidder(s) scoring highest net marks will be ranked as TR-1, the next highest as ranked as TR-2 and so on.	After techno-commercial evaluation, the price bids of the top three highest technically ranked bidders (i.e. TR-1,TR-2 & TR-3) for each size and type of bit will be shortlisted for price bid opening subject to obtaining minimum of 45 marks as per evaluation criteria indicated at clause(Clause no. to be indicated by workcentre) of BEC. In case of tie in highest technically ranked bidders who are obtaining same marks, their inter-alia ranking as TR-1, TR-2 & TR-3 and so on) will be decided on the basis of highest marks in "B" in respect of specific information as per the evaluation criteria specified at Appendix-9. Top three bidders above 45 marks are to be selected for price bid opening against each size & type
28.4.4	Contract is to be awarded <u>to the top ranked bidder as per procedure given below:</u>	The following methodology will be followed for finalization of contracts:

(a) In case only one bidder is ranked as TR-1, the price bid of such bidder shall only be opened.

(b) In case of tie in bidders ranked as TR-1, price bid of bidder ranked as TR-1, with highest marks in 'B' in respect of 'bit specific information' as per the evaluation criteria specified at Appendix 9, shall only be opened.

In case TR-1 happens to be the L 1 bidder in a category , 100% quantities for the common items will be awarded to him and in case a bidder other than TR-1 happens to be the L 1 bidder, 60% quantity will be awarded to L1 bidder and remaining 40% quantity will be awarded to L2 bidder subject to matching of rates with L 1 bidder. Further, in case L2 bidder does not match, L3 bidder will be asked to match the L1 rate and if none of the bidders agree to match the L1 rate, 100% quantity will be awarded to the L1 bidder. However, ONGC reserves its right to negotiate the prices with the bidder for ascertaining rate reasonability before award of contract.

DS, MR will monitor the orders placed by various Work Centres and in co-ordination with the Work Centres, they will ensure that quantities are distributed in the ratio as per the RC.

Appendix 9 Criteria for Ranking of Bidders for Procurement of Premium Bits on Consignment basis

Appendix 9 Criteria for Ranking of Bidders for Procurement of Premium Bits on Consignment basis and through out right purchase (Rate Contract)

Appendix 9 - A

A. General Information:					
Sl	Parameter	Allocation of Marks		Weightage Factor	Marks
1	Experience of Bit Manufacturer (Minimum Required experience -	Highest among the bidders	100	0.05	

A. General Information:					
<u>(for both TCR & PDC)</u>					
Sl	Parameter	Allocation of Marks		Weightage Factor	Marks
1	Experience of Bit Manufacturer (Minimum Required experience - <u>5 (Five) Years</u>	<u>Bidder with 20 Years' experience</u>	100	0.05	
	<u>Maximum experience 20 years)</u>	others	Percent age to the highest		
	<u>Both TCR and PDC and others</u>				

		Five Years)	others	Percent age to the highest											
	2	Sales volume of Bits for the last three years	Highest among the bidders	100	0.05				2	Sales volume of Bits for the last three years	Highest among the bidders	100	<u>0.10</u>		
			Others	Percent age to the highest							Others	Perce ntage to the high est			
	3	Expenditure on R&D for the last three years	Highest among the bidders	100	0.10				3	Expenditure on R&D for the last three years	Highest among the bidders	100	<u>0.05</u>		
			Others	Percent age to the highest							Others	Perce ntage to the high est			
Appendix 9 - B	B. Bit Specific Information							B. Bit Specific Information: (for both TCR & PDC)							
B. 1	For 17-1/2" Bit							For 17-1/2" Bit							
	Sl. No.	Parameters	Allocation Marks	of	Weighta ge Factor	Mark s		Sl. No.	Parameters	Allocation of Marks	Weight age Factor	Mar ks			

	4.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies: Supply of bits (Nos.) during last 3 years to below mentioned leading companies: 1. Shell 2. Cheveron 3. BP 4. Agip 5. Totalfina 6. Statoil 7. Petrobras 8. Unocol 9. Exxon Mobil 10. Kerr Mcgee	Highest among the bidders	100	0.20		2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies: 1. Shell 2. BP 3. Exxon Mobil 4. Total 5. Cheveron 6. Conoco Phillips 7. Saudi Aramco 8. Petrobras 9. Statoil 10. Petronas	Highest among the bidders	100	0.26			
	4.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.05		4.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
			Onshore	Highest among the bidders	100	0.05				Onshore	Highest among the bidders	100	0.02	
				others		Percentage to the highest					others	Percentage to the highest		

4.4 Performance of bids (Last three years)						4.4 Performance of bids (Last three years)							
Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	0.03			Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	<u>0.07</u>		
		others	Percentage to the highest						Percentage to the highest				
	Average ROP	Highest among the bidders	100	0.03				Average ROP	Highest among the bidders	100	<u>0.07</u>		
		others	Percentage to the highest						others	Percentage to the highest			
Best Five bits depth in 4000 M to 4999 M	Total Meterage	Highest among the bidders	100	0.05			Best Five bits depth in 4000 M to 4999 M	Total Meterage	Highest among the bidders	100	<u>0.08</u>		
		others	Percentage to the highest						Percentage to the highest				
	Average ROP	Highest among the bidders	100	0.05				Average ROP	Highest among the bidders	100	<u>0.08</u>		
		others	Percentage to the highest						others	Percentage to the highest			

				st					highes		
	Best Five bits depth in above 5000 M	Total Meter age	Highest among the bidders	100	0.07				DELETED		
others			Percentage to the highest								
Average ROP		Highest among the bidders	100	0.07							
		others	Percentage to the highest								

B. 2		For 12-1/4" Bit					For 12-1/4" Bit				
Sl. No.	Parameters	Allocation Marks	of	Weight age Factor	Mark s	Sl. No.	Parameters	Allocation Marks	of	Weight age Factor	M arks
5.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies:	Highest among the bidders	100	0.10		5.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies:	Highest among the bidders	100	0.16	
	1. Shell 2. Chevron 3. BP 4. Agip 5. Totalfina 6. Statoil 7. Petrobras 8. Unocol 9. Exxon Mobil 10. Kerr Mcgee	others	Percentage to the highest				1. Shell 2. BP 3. Exxon Mobil 4. Total 5. Chevron 6. Conoco Phillips 7. Saudi Aramco	others	Percentage to the highest		

	6.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.05		5.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
				others	Percent age to the highest						Others	Percent age to the highest		
			Onshore	Highest among the bidders	100	0.05				Onshore	Highest among the bidders	100	0.02	
				others	Percent age to the highest						others	Percent age to the highest		
B. 4		For 6" Bit						For 6" Bit						
	7.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies:		Highest among the bidders	100	0.10		7.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies:		Highest among the bidders	100	0.16	
		1. Shell 2. Chevron 3. BP 4. Agip 5. Totalfina 6. Statoil 7. Petrobras 8. Unocol 9. Exxon Mobil 10. Kerr Mcgee		others	Percent age to the highest				1. Shell 2. BP 3. Exxon Mobil 4. Total 5. Chevron 6. Conoco Phillips 7. Saudi Aramco 8. Petrobras 9. Statoil 10. Petronas		others	Percent age to the highest		
	7.3	Supply of bits to Indian Comp		Highest among the bidders	100	0.05		4.3	Supply of bits to Indian Comp		Highest among the bidders	100	0.02	

