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Integrated Materials Management Manual

POLICY MONITORING & CONTROL (PMC) SECTION

CORPORATE MATERIALS MANAGEMENT

NEW DELHI

Updated upto 02.02.2024

Purchase

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Introduction

1.1 Oil and Natural Gas Corporation Limited (ONGC) is an E&P company and the operations in ONGC have been organised on the basis of CRC based structure with working relations among Assets/Basins /Services, Institutes, Plants etc.

1.2 Purpose of the Manual

1.2.1 This manual is intended to act as a set of guidelines and reference book to be followed in the performance of the materials procurement/ hiring of Services/LSTK/ Warehouse management/ Inventory management/ Stock verification/ disposal/ preservation of stores etc.

1.2.2 Provide the personnel involved in procurement with an understanding of their responsibilities, objectives and duties within the framework of Company's overall policy

(MM/55/2020 dated 11.03.2020) (MM/05/2015 dated 01.06.2015)
(MM/112/2023 dated 30.11.2023)

1.3 For streamlining of procurements, Central Procurement Department (CPD) headed by Chief Procurement Officer(CPO) shall handle procurement of items mentioned in PMC Circular No. 83/2023 dated 01.11.2023 (as amended) on centralized basis.

Various Groups under CPO will handle centralized Procurement of Goods, Services and LSTK/Works, as mentioned in PMC Circular No. 83/2023 (as amended).

For procurement of all other items, services & works respective Assets/Basins/Institutes/ Plants etc. shall be responsible. Warehousing and Inventory management functions have been decentralised to respective work centers.

In case of urgency for procurement of items/services listed in PMC Circular No. 83/2023 (as amended) by the concerned work centers, prior approval of Chief Procurement Officer shall be obtained.

(MM/05/2015 dated 01.06.2015)

(MM/112/2023 dated 30.11.2023)

- 1.3.1 In case, if it is felt by Work-Center or by CPD that if procurement of any item/service needs to be centralized at CPD, same can be done after obtaining approval of CPO but detailed reasons/justification would have to be given as to why procurement of that item/service is required to be centralized.

For meeting their requirement of Diesel and Petrol, the work centers shall source these products from ONGC's Plants/refineries or ONGC Group Company refinery, if these are situated in the vicinity of the consumption center. However, if it is practically not viable to source Diesel and Petrol from ONGC's Plant/refinery or ONGC Group Company refinery, then the work centers can procure these products through the normal procurement procedure.

(MM/55/2020 dated 11.03.2020)

- 1.4 The Corporate Materials Management set up with Director – I/c MM is responsible for the following:-
- 1.4.1 All centralized Procurement cases for items indicated under para 1.3.1 and policy matters including liaison with the Govt.
- 1.4.2 All items indicated under para 1.3.1 are procured centrally by Corporate MM, Delhi. Requirement is to be raised by respective Asset/Basin/Services which will be consolidated at Corporate MM for tendering purposes.
- 1.4.3 Providing superintendence to the Materials setup at various work centers with regard to different functions of Materials Management for example Inventory Control, Disposal, Codification, Standardisation of specifications, and Stock Verification etc.
- 1.5 The above functions are to be discharged by personnel of Materials Management discipline who will be so allocated to each work centre and Corporate MM, Delhi.
- 1.6 Various powers indicated in this manual shall stand updated in accordance with the revisions / amendments carried out to the respective provisions of BDP (from time to time). In case of any conflict between the provisions of this Manual and the provisions of BDP, provisions contained under BDP shall prevail, unless specifically clarified by Chief MM Services. Further, in order to adhere to the provisions of BDP, while processing the cases to meet various type of requirements at Work Centers, It should be ensured that the case is processed by concerned department as per the provisions of BDP.

(MM/10/2016 dated 23.03.2016)

(MM/112/2023 dated 30.11.2023)

- 1.7 Provisions of Materials Management Manual are approved by the Management Committee of Directors (MCoD)/ 'Management Committee of Directors – Procurement (MCoDP)' and appraised to ONGC Board. Therefore, any deviation from the prescribed policy guidelines or norms on Materials Management will require approval from MCoD / MCoDP through CPO. Such approvals shall be put up to ONGC Board for its appraisal on half yearly basis by PMC. To enable PMC to compile the deviation from the prescribed policy guidelines or norms on Integrated MM Manual approved by MCoD / MCoDP , concerned work centres shall immediately convey the approval obtained by them from MCoD / MCoDP cell for taking deviation from the prescribed policy guidelines or norms on Integrated MM Manual.

1.8 Modifications in the Manual

(MM/113/2023 dated 08.12.2023)

- 1.8.1 For any modifications sought in the manual, a request should be sent to the PMC through concerned key executive citing the changes sought, reason/justification for the changes and any accompanying documents to substantiate the suggestion. The responsibility for taking prudent decisions against individual cases lie with the CPA (based on recommendations of BEC Formulation Committee/Procurement Evaluation Committee/ proposal of MM Department/Tender Processing Group, wherever applicable).Therefore, advice on case to case basis need not be sought from Chief-MM/PMC and decisions should be taken within the prevalent policy guidelines/procedures and in accordance with the provisions of the tender conditions. However, in case any existing procedures/guidelines require modifications, same can be referred to Chief-MM/PMC along with specific recommendations of the Work Centre but such requests should not contain any deadline for conveying the advice/issuance of modifications.

(MM/112/2023 dated 30.11.2023)

- 1.8.2 A Multi-Disciplinary Team, if required, with representatives from PMC, MM, F&A, concerned user departments and legal shall evaluate the requirement and recommend changes to manual to be sent to MCoD/MCoDP for approval. The representatives should be minimum E-6 level. However, CPO shall be empowered to nominate any member even below E-6 level to be a part of the multi-disciplinary team.
- 1.8.3 In addition to requests from work centers, MCoDP may suo moto feel the need of policy modification from time to time and may take such decision. Such decision from MCoDP will be communicated to PMC, for amendment into the manual.
- 1.8.4 Any modification in MM manual/tender document shall be uploaded on the MM website.
- 1.8.5 Any urgent changes required in the manual on account of regulatory changes etc shall be immediately incorporated in the manual and published on the MM website by PMC, with prior approval of Director I/c MM, Director (Finance).
- 1.8.6 Policy changes will be communicated as amendment in the MM manual. Separate office orders/circulars shall only be released to mention any guidelines/observations which are not policy changes and thus don't require MM manual/tender document modification. The signed copies of these office orders (in PDF format) shall be invariably notified to all concerned through MM website.
- 1.8.7 A holistic review of the entire manual shall take place every 5 years.

(MM/26/2017 dated 21.06.2017)

- 1.8.8 All concerned must follow/comply with all policy decisions uploaded by PMC on MM website up to two working days prior to bid closing date (allowing one full day for approvals if any to be taken for extensions). Further, if required, bid closing date can be extended suitably.

1.9 Classification of Material

- 1.9.1 The purchase can be made with advantage on the results of classification of material and stock levels. It is, therefore essential that either of these points is given treatment before passing on to the purchase procedure
- 1.9.2 For procurement/accounting, the materials may be classified into following categories:-

Stores: It is a material, which is consumed during the process or has life less than one year or part of an item/ capital asset or chemicals or commodity or any unprocessed or partially processed good.

Spares: Spare is a component forming part of equipment and does not function on its own unless it is fitted to the specific equipment it is meant for.

Capital Items: All items costing Rs.25, 000/- or more and with a life of more than one year are categorised as "Capital Items". Items costing less than Rs.25,000/- which have a life of more than one year and can be regarded as complete units in themselves (e.g. small compressors, pumps, electrical motors, welding sets, electrical testing instruments etc.) are also to be categorised as "Capital Items".

1.9.3 Proprietary Materials and Non-Proprietary Materials

For procurement the materials may be classified into following categories:

a. Proprietary Materials

An item is "Proprietary", if that item is made or marketed by a person or persons having the exclusive right to manufacturer, and to sell it.

Hence, the equipment(capital)/ spares/ stores/ softwares/ services/ patented drugs whose make and model are only from a named manufacturer and no other make and model is acceptable as substitute for technical reasons, then they are Proprietary Materials.

b. Non-Proprietary Materials

Non-Proprietary materials are those which are manufactured by many firms.

1.9.4 Insurance Spares

1.9.4.1 Under the broad categorization of "Spares", certain items will be identified as "Insurance spares". Insurance spares are spares with expected life of the components almost equal to the life of the equipment. Normally there will be no consumption of this item throughout the life of the equipment except when there is an unforeseen event. The quantity shall be restricted to minimum quantity that may be required during operations.

1.9.4.1.1 Insurance spares, against each equipment, will be identified by the user department and Chief - Technical services will approve the list of such insurance spares.

1.9.4.1.2 At the time of procurement of spares, the system will indicate in the PR that the spare has been identified as an insurance spare

1.9.5 Role and responsibilities of MRP controller

1.9.5.1 MRP (Material Requirement Planning) Controller is the planner for Material Procurement and Controller of Inventory. This dual role is assigned to one person to facilitate inventory control by proper planning at the time of procurement. Typically this role is to be performed by executives looking after Material Planning and procurement.

1.9.5.2 The MRP Controller prior to release of indent shall perform the following checks:

1. View Inventory position of the material for which PR is created, in his own work center and across all work centers in ONGC. In case the material is available in his own CRC entities (i.e. Assets, Basins, Plants & Institutes etc.) and is usable then the quantity to be purchased to be reduced. In case the material is not usable, but reflected in the inventory, immediate steps to be taken by user department to remove the material from inventory by writing off and move to disposal location. If the material is available at other CRC entities, then a judicious decision is to be taken whether material should be purchased afresh or it can be made available from other locations of ONGC.

The stocks and all open purchase orders for the material can be seen for stock overview in ICE system.

2. While approving the indents, he shall see the activity plans for the material in the concerned work center and shall convince himself that the materials will be consumed by the indenters in a reasonable period of time and the purchase will not result in build-up of inventory. He can also take a decision to approve the indents based on the past consumption data in the system.

Past consumption data of the material can be viewed in the PR print layout.

3. MRP controller has to ensure that all the requirements of the work centre are consolidated so that purchasing process time is reduced and all quantity discounts are available

4. If the alternate material exists for the materials which are being purchased, then he shall check such materials also, keeping all the above points in mind.

5. For procurement of spares against IMPETUS rate contracts MRP controller shall exercise due diligence and opt for staggered delivery wherever possible to prevent built up of inventory.

1.10 Standard Tender Documents

1.10.1 Standard tender documents for the following categories have been created which should be used for procurement along with this manual:

- 1.10.1.1 Procurement of Spares to be used for OEM/OES Spares and OEM/OES Services procurement where ONGC has no option but to procure the Spare/Service from one specific OEM/OES.
- 1.10.1.2 Procurement of Goods (National Competitive Bidding) and Procurement of Goods (International Competitive Bidding) to be used for Goods procurement under Indigenous and ICB tenders.
- 1.10.1.3 Hiring of Vessels, Charter Hire of Rigs, Hiring of Services (Facility Management), Hiring of Services (Consultancy) to be used for respective types of procurement.
- 1.10.1.4 Tender Document for Civil to be used for Civil/Electrical and other related works
- 1.10.1.5 Tender document for LSTK to be used for LSTK projects
- 1.10.1.6 Hiring of Services tender document to be used for hiring of oil field services & other services.

1.11 Abbreviations

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

The following abbreviations have been used in the manual:

- 1.11.1 AWB – Air Way Bill
- 1.11.2 BDP – Book of Delegated powers
- 1.11.3 BEC – Bid evaluation criterion
- 1.11.4 BQ – Budgetary quote
- 1.11.5 C&F – Clearing & Forwarding
CFR – Cost & Freight
- 1.11.6 CMD – Chairman cum Managing Director
- 1.11.7 CA – Competent Authority
- 1.11.8 CI – Cost Index
- 1.11.9 CIDC – Construction Industry Development Council
- 1.11.10 CIF – Cost, Insurance and freight
- 1.11.11 CPA – Competent purchase authority
- 1.11.12 CPI – Consumer price index
- 1.11.13 CPWD – Central Public works department
- 1.11.14 DFR – Draft feasibility report

- 1.11.15 DGFT – Directorate general of foreign trade
- 1.11.16 DGS&D – Directorate general of Supplies and Disposal
- 1.11.17 EMD – Earnest money deposit
- 1.11.18 MCoDP – Management Committee of Directors- Procurement

- 1.11.18 (a) MCoD – Management Committee of Directors
- 1.11.18 (b) CoDP – Committee of Director- Procurement

- 1.11.19 EPCG – Export promotion Capital goods
- 1.11.20 EPCM – Engineering, procurement and construction Management

- 1.11.21 EPF – Employee provident fund
- 1.11.22 EQR – Essential Qualification Requirement
- 1.11.23 ESI – Employees State insurance
- 1.11.24 F&A – Finance and Accounts
- 1.11.25 FAO – Finance & Accounts Officer
- 1.11.26 FEED – Front end engineering design
- 1.11.27 FOB – Free on board
- 1.11.28 FR – Feasibility Report
- 1.11.29 FX – Foreign exchange
- 1.11.30 GCC – General conditions of contract
- 1.11.31 HSE – Health, Safety and Environment
- 1.11.32 ICB – International Competitive bidding
- 1.11.33 IEOT – Institute of engineering and ocean technology
- 1.11.34 IPO – Indian postal order
- 1.11.35 ITB – Instruction to bidders
- 1.11.36 LD – Liquidated damages
- 1.11.37 LIB – Limited international bidding
- 1.11.38 LOA – Letter of award
- 1.11.39 LPR – Last Purchase rate
- 1.11.40 MDT – Multi disciplinary team
- 1.11.41 MM – Materials Management

1.11.42	MOPNG – Ministry of Petroleum and Natural Gas
1.11.43	MRP – Material requirement Planning
1.11.44	MSME – Micro, small and medium enterprise
1.11.45	NOA – Notification of award
1.11.46	OEM – Original equipment manufacturer
1.11.47	OES – Original Equipment supplier
1.11.48	PAC – proprietary article certificate
1.11.49	PAR – Plinth area rate
1.11.50	PS/PBG – Performance Security/ Performance Bank Guarantee
1.11.51	PEL/ML – Petroleum exploration licence/mining licence
1.11.52	PLEM – Pipeline end manifold
1.11.53	PMC – Policy Monitoring and Control
1.11.54	PO – Purchase order
1.11.55	PQC – Pre qualification criterion
1.11.56	PR – Purchase Requisition
1.11.57	PWB – Parcel Way Bills
1.11.58	QAD – Quality Assurance Department
1.11.59	QCBS – Quality and Cost based selection
1.11.60	RBI – Reserve Bank of India
1.11.61	RFP – Request for proposal
1.11.62	RR – Railway Receipts
1.11.63	SCC – Special conditions of contract
1.11.64	SD – Security deposit
1.11.65	SOR – Schedule of rates
1.11.66	SOW – Scope of Work
1.11.67	T&S – Transport and Shipping
1.11.68	PEC – Procurement Evaluation Committee
1.11.69	TPI – Third party agency
1.11.70	TS – Technical sanction
1.11.71	WPI – Wholesale price index

- 1.11.72 TMS – Tender Monitoring System
- 1.11.73 CPD- Central Procurement Department
- 1.11.74 CPO- Chief Procurement Officer
- 1.11.75 NTA- Nodal Technical Agency
- 1.11.76 CLG-Central LSTK Procurement Group
- 1.11.77 CMG- Central Materials Procurement Group
- 1.11.78 CDWSG-Central Drilling & Well Services Procurement Group
- 1.11.79 CLPSG- Central Logistics and Production Services Procurement Group
- 1.11.80 CESSG- Central Exploration Services Procurement Group
- 1.11.81 CDIG-Central Digital IT Procurement Group
- 1.11.82 CREG- Central RC & Empanelment Procurement Group
- 1.11.83 CCWG- Central Civil Works Procurement Group
- 1.11.84 CFG- Central Finance Group-CPD
- 1.11.85 TPG- Tender Processing Group (refers to Indenting/User Department (other than MM department) processing the tenders.)

2 Forecasting

2.1 Introduction

- 2.1.1** Material forecasting is an essential discipline in procurement as it sets the base for planning and executing the goods and services requirements for the organisation.
- 2.1.2** Even though the business environment is uncertain, preparing accurate forecasts gives ONGC an insight into the future to take the right actions and decisions.
- 2.1.3** Since material forecasts are an input into the company's budget, the forecasting process and budgeting process need to be in synchronization.
- 2.1.4** The material forecasts should be prepared well in time for each fund centre so that it can be incorporated into the budget for approval.

(MM/04/2015 dated 28.04.2015)

- 2.1.5** Forecasts should be linked with the budget cycle and prepared as defined in the budget manual to leverage economies of scale.

2.2 Quantity Forecast

- 2.2.1** Forecasting the quantity requirement for goods and services is the responsibility of the indenting / user group.
- 2.2.2** Quantity requirements should be linked to the physical plan and targets created for the company and agreed with the MOPNG.
- 2.2.3** Based on the physical plan and Feasibility Report (FR), at the start of each financial year, a 3 year rolling forecast should be prepared broken down into quarterly basis.
- 2.2.4** Inventory on hand, in order and planned consumption before the planning period should be considered while forecasting the requirement of goods.
- 2.2.5** The forecast should be prepared at each item level.
- 2.2.6** The forecast will be approved by the MRP controller and the L-I officer.
- 2.2.7** Approved forecast will be provided to the MM team for value estimation (except in case of Civil/Electrical/Instrumentation/Dry Docking/Rigs and Equipment Repairs/O&M works/LSTK for Onshore and Offshore works, C&M works etc).

2.3 Value Estimation

- 2.3.1** Refer to the section on cost estimation on methods of value estimation for the forecasted quantity.

2.4 Revisions to budget

- 2.4.1** If the ONGC board decides to scale up / down the budget, the L-I officer will decide how to accommodate the requirements in the given budget.

(MM/04/2015 dated 28.04.2015)

- 2.4.2** The final rolling budget prepared in line with the budgeting cycle will be shared with user department for further action and execution of procurement.

3 Category Management

3.1 Category Management is required to achieve a strategic approach to procurement.

The first step of category management is grouping together goods and services that are procured from similar supply markets and have similar technical characteristics into a separate group or category.

This logical grouping of goods and services make their procurement more manageable by providing the organization a cross functional view.

The primary objective of category manager/ category management team headed by MM is to develop sourcing strategy and to have an in-depth market understanding.

3.2 Domain expertise (knowledge of specifications, supply markets, cost drivers, regulatory environment etc.), relationship management (influencing, communications, credibility with stakeholders and suppliers etc.), commercial and procurement acumen are key skills required for category management

3.3 The key responsibilities of a category management team, consisting of user department, MM and finance at minimum level of E5/E6 are:

3.3.1 Develop procurement strategy for the category

- a. Define overall contracting strategy for the category based on consolidated business demand (make vs. buy, rate contracts, tenure for hire of services, type of tender etc.)
- b. Understand and adopt international best practices of managing the category
- c. Building detailed category risk assessment and mitigation strategy
- d. Execute and communicate category strategy to key internal stakeholders
- e. Derive value through identification, development and implementation of value improvement opportunities

3.3.2 Cost Assessment

- a. Understand the end to end supply chain of the defined good or service
- b. Prepare and maintain bottom up cost models to understand cost drivers of the particular category (raw material inputs, labour cost, maintenance cost, transport cost, margins etc.)

- c. Analyse life cycle costing of items procured within a particular category
- d. Track market prices through global research and data bases, industry trends, communication with vendors, industry groups etc.
- e. Provide cost estimate (during budgeting and PR) of the procurement. Maintain detailed justification and back up on cost estimation.

(MM/10/2016 dated 23.03.2016)

- f. Provide assistance for rate reasonability.

3.3.3 Vendor Management

- a. Study the local / regional and global supplier market of the category, maintain database of all known sources of supply; review and update the database on an annual basis
- b. Maintain relationship with vendors through vendor meets / surveys / industry body meets and other channels
- c. Provide inputs on BEC / PQC for vendor empanelment
- d. Guide vendor performance appraisal along with the user based on the defined guidelines for performance appraisal
- e. Provide regular feedback to the vendors executing contracts for ONGC
- f. Identify and implement value engineering initiatives with the vendor
- g. Identify potential for new vendor development
- h. Provide input to user group on latest technological evolutions in the category, opportunities for standardization, etc.

4 Cost Estimation

4.1 Item-wise Estimated Cost in Indent

- 4.1.1** Cost estimation will be done after receipt of final forecast from the user department by (depending on applicability)
- a. Category manager/ category management team, if available.(minimum E5 level)
 - b. Multi Disciplinary team headed by MM and including indentors / user group and finance
 - c. Internal cost estimation team (example: offshore engineering cost estimation team)
 - d. External Consultants
- 4.1.2** For highly complex procurement and limited internal capability, external consultants may be used for cost estimation. The costing MDT / internal cost estimation team may apply their due diligence on the report submitted by the consultants to arrive at the final cost estimate.
- 4.1.3** Cost estimates shall be valid for one year.

4.2 Cost Estimation Methods

The following basis of cost estimation should be used as applicable /suitable to the type of procurement. The estimated cost should be realistic, logical and scientific and should reflect the true picture of the market as far as possible.

- 4.2.1** Should Costing (XX)
- a. Should costing is a process, whereby one can determine the cost of the part or product or service or a combination of both, based on the raw materials used, manufacturing costs, labour costs and overhead production costs. This can be achieved by analyzing the cost drivers such as (list below is indicative and not exhaustive):
 - i. Labour cost
 - ii. Materials cost
 - iii. Tooling costs
 - iv. Cost of consumables
 - v. Waste

- vi. Setup costs
 - vii. Devices costs
 - viii. Overheads
 - ix. Maintenance costs
 - x. Profit margin
- b. Gathering appropriate data is key to should costing. All sources of data and market intelligence should be leveraged to assess the appropriate cost (list if indicative and not exhaustive):
- i. Secondary information: industry reports to study the trends, market indices
 - ii. ONGC data on costs
 - iii. Relationship with vendors
 - iv. Relationship with other oil and gas majors
 - v. Previous technical knowledge and expertise
- c. A detailed document with line item wise costing, information source, calculations, and assumptions should be maintained for back up and future reference
- d. Should costing Model & Estimation prepared on the basis of should costing shall be approved by Sanctioning Authority after vetting by finance.

4.2.2 Work Breakdown Cost Methodology (XX)

- a. Bottom up calculation of costing by breaking work into smaller structures and estimating the cost of each equipment or service individually. The total cost is the summation of the individual service and material costs. The accuracy range of the estimates shall always be mentioned in the estimates.
- b. A detailed document with break down structure and methods and source of cost estimation for each structure should be maintained for future reference

4.2.3 Budgetary Quotes (BQ)

- a. Before obtaining the budgetary quote, the scope of work including special conditions of contract should be firmed up so that potential suppliers can understand the scope and send quotations.

- b. While collecting budgetary quotes etc., no commitments and assurances will be held out to prospective vendors / suppliers / contractors.
- c. The validity of the budgetary quote should be defined by the supplier.
- d. Preferably 3 Budgetary quotes should be obtained from suppliers for that particular good / service who meet the required specifications in the scope of work. In case of goods, BQ may be obtained from the manufacturer or authorized dealer /supplier.
- e. If 3 BQs are not available, then justification should be provided to the Competent Authority
- f. Quotations can be collected by either of the following ways (in order of priority):
 - i. Physical copy
 - ii. Email
 - iii. Published price list on the website / other sources
- g. If there is a wide variance between the lowest and highest BQ of more than 30% then Category Manager/MDT for costing will assess the importance of quality for the particular procurement. If quality is critical, the 25th quartile of the BQs will be taken as the estimate. If quality is not critical and its a standard procurement then lowest BQ will be taken as the cost estimate. A defined timeline should be given to the supplier to provide BQ and regular follow ups should be done with the suppliers to obtain the BQ as early as possible.
- h. Further the Category Management Team/MDT/ Internal Cost Estimation Team/ External Consultants shall apply due diligence while arriving at final cost estimates based on BQ.

4.2.4 Last Purchase Rate (LPR)

- a. LPR should be used only if the same / similar Scope of work / specification was executed in ONGC in the last 2 years from the date of PR creation. If no LPR is available for the last 2 years, then LPR upto last 5 years may be used.
- b. The latest available LPR should be used for the purpose of cost estimation.
- c. The LPR should be duly adjusted upward or downward for inflation and Foreign exchange fluctuation and for any change in Taxes & Duties.

Depending on the type of procurement for services / goods and the composition of the same the indices below may be used to establish a realistic cost estimate (list below is indicative, not exhaustive)

- i. Whole sale price index (WPI): use as is or use the minerals, metals index which is also captured as part of WPI
- ii. Consumer Price Index (CPI): Use industrial workers or urban workers consumer price index
- iii. Other Metal indices: London Metals Index, Steel Index, Zinc Index etc. based on the composition of the good
- iv. Foreign exchange fluctuation from the LPR date
- v. Oil price movement
- vi. CIDC (Construction Industry Development Council)
- vii. Minimum wages in case of labour / services contract

Also reputed websites and ONGC subscribed databases such as IHS Petro data for tracking market trends should be used.

In case of projects / procurement of more than 1 year, future inflation should be built into the cost estimate. The forecasts available for the indices used for adjusting the LPR may be used for building in the future escalation. In case the expenditure schedule is known then escalation should be built in based on the schedule of expenditure, else escalation shall be added up to the midpoint of completion period for contract.

In case future forecasts are not available, the average of the last 2 years of the indices may be used for future forecasts.

- d. For procurement which cannot be linked to a single index for escalation, the MDT team consisting of indenting, MM and finance stakeholders should define the escalation metrics / methodology and inputs to be used for cost estimation. In case there is a change in the SOW from the last purchase, the MDT may apply due diligence and accommodate the same in the LPR to arrive at an accurate estimate.

4.3 Costing for hiring of consulting services / domain experts / TPIs and certification agencies

- 4.3.1** For hiring of above category of services, the LPR (duly adjusted for inflation, Foreign exchange) may be used as the basis of estimate or a BQ may be requested. Refer to section 4.2.3 & 4.2.4 on guidelines for cost estimation using BQ.

(MM/26/2017 dated 21.06.2017)

4.4 Costing for OEM / proprietary purchase

4.4.1 For material which has been previously procured by ONGC:

4.4.1.1 If IMPETUS R/c or any other rate contract / contract price already exists for the OEM purchase then that should be used for cost estimation _

4.4.1.2 If not, then refer to the international published price list for the particular OEM items

4.4.1.3 If none of the above exists, then refer to the last purchase price of the purchase (even if it is more than 2 years old), duly adjusted for escalation and foreign exchange (refer to guidelines on adjustment for inflation in the LPR methodology of cost estimation section), as cost estimate.

4.4.2 If it is a new purchase, then either international published price list for the particular OEM items as per para 4.4.1.2 should be considered for costing or BQ from the OEM should be obtained.

4.5 Costing for Civil /Electrical and other works

(MM/04/2015 dated 28.04.2015)

4.5.1 Preparation of Preliminary estimate to be used for budgeting and Administrative approval (Definition of Works has been detailed at Appendix – 16)

- a. Preliminary estimate for building works is to be prepared on the basis of CPWD plinth area rates (PAR) with appropriate cost index, items which are not available in the PAR shall be considered on the basis of available internal data base / LPR / consultant's data base or market survey / quotations. If market survey / budgetary quotation method is followed then the CPWD method of making detailed estimate will be followed. If considered relevant other SORs may be adopted with prior approval of the L-III officer / E6 officer of the technical team.
- b. Preliminary estimate for roads work shall be on the basis of length of road worked out on the rate per unit length on LPR / internal data base. This shall be approved by L-III officer / E6 officer of the technical team.
- c. For drill sites the preliminary estimate should be calculated on the basis of historical data / LPR or available data base rates.

Note: The method for working out the cost index (CI) will be on the basis of CPWD. In case cost index is issued by CPWD it will be followed, no further approvals required. However, if the cost index is worked out on the basis of

CPWD guidelines, it shall be approved by L-II / E7 officer, wherever L-II officer is not posted the approving authority should be minimum L-III / E6 level.

4.5.2 Detailed Estimates to be used for Technical sanction and invitation/justification of tenders:

- a. Latest CPWD Schedule of Rates (SOR) duly enhanced by appropriate cost index (applicable for the work area) shall be considered. As a policy, CPWD rates will be adopted. If considered relevant, other SORs may be adopted with the prior approval of L-III officer / E6 officer of technical department.
- b. Whenever rates of some items are not available in CPWD SOR, prevailing market rates collected as per cl.4.5.3 or rates provided by the project consultants based on their data base or market quotations or available in other SOR or any of the cost estimation methodology mentioned above, shall be adopted in the estimate. When any of the above method of estimation is adopted it must be approved by the L-II officer of the technical department and wherever level II officer is not posted it should be approved by minimum Level III / E-6 level officer of technical department.
- c. If at any stage it is felt that SOR rates are not workable, fresh market rates may also be adopted for estimation with the approval of L-II officer of the technical department and wherever level II officer is not posted it should be approved by minimum Level III / E-6 level officer of technical department.

4.5.3 Market survey shall be done by the Service/ Project Execution group and finance team to collect costs / budgetary quotations. For this, budgetary offers can be in any of the following forms:

- a. By collecting quotations from OEM / OES / authorised workshops.
- b. Collection of hand quotations
- c. Through email
- d. Published Price List of manufacturer with discount if any.
- e. Verbal enquiry from the market duly signed by the enquiring officer.

The basic market rates so collected and analysis of rates for the individual items shall be approved by not lower than Level-III / E6 level officer of the technical department.

4.5.4 Cost estimates for other jobs of specialized nature etc. shall be prepared using project cost data obtained on budgetary basis or drawn from execution of similar earlier works with appropriate escalation, or use of costing software / database or through expert services of experienced consultant.

4.5.5 No profit margin will be considered where ever budgetary quotes are adopted for complete Scope of work. However profit margin will be added if the budgetary quote is for an item which is part of the complete tender/scope of work

4.5.6 Following components to be added while preparing the detailed estimates

- a. Applicable taxes, duties and statutory payments such as Service tax, EPF, ESI etc. shall be added to the cost estimate
- b. Escalation for the project duration average of last 2 years CPWD Cost Index shall be added up to the midpoint of completion period for contracts having completion period 12 months or more. This shall be applicable for rate contract of period more than one year.
- c. Contingency of 5% for works of value up to Rs.1.0 crore and 3% for higher values.

However, tenders shall be invited and evaluated on the basis of Technical Sanction value.

(MM/10/2016 dated 23.03.2016)

4.5.7. While preparing cost estimation sheet, a column for reference viz. CPWD SOR, PWD SOR, BQ, LPR etc. with item numbers against all individual item(s) should be created for cross checking the estimation data by various departmental agencies. In the cost estimation sheet itself, technical specification against each individual referred item shall be confirmed. In case of any deviation, the extent of deviation taken shall be indicated.

(MM/18/2016 dated 22.09.2016)

4.6 Costing in case of LSTK projects

4.6.1 In case of LSTK / EPC works, costing methodology approved by respective Chief of Services through their respective VCB shall be followed. The expected accuracy range of class 1 estimate should be used for preparation of estimates for tender document and also for check estimate i.e. for justification of rates.

(MM/24/2017 dated 24.04.2017)

(MM/113/2023 dated 08.12.2023)

4.7 Revision of Cost Estimate for Service Contracts and LSTK projects:

Cost estimates need to be reviewed under the following situations:

- (a) The time interval is more than 18 months between preparation of cost estimate & the date of tender opening.
- (b) Substantial change in market condition as due to change in external economic and market environment.

Cost estimate may be reviewed before the due date of bid submission by the team which prepared the initial estimate. Such revised cost estimates shall be got vetted from the head of the finance of the work centre / establishment. The revised cost estimate will need to be approved by the concerned competent authority who approved the preliminary estimate (for LSTK contracts as defined under para 11.1.1.3), with full justification. Accordingly tender conditions if any, required to be changed as a consequence of revision of cost estimate, the same will be amended before submission of the bid.

The revised cost estimates prepared as a sequel to pre-bid conference or otherwise shall be frozen before the due date of bid submission and submitted to **BEC Formulation Committee** for appropriate decision as per para 12.17.8.

5 Scope of work (SOW) / Specifications

5.1 Specifications

- 5.1.1** To enable the effective procurement of materials and services a clear and complete scope of work (SOW) / specifications is critical. Along with the approved forecast clear and detailed specifications / SOW must be provided to the Category Manager/MDT, including drawings wherever necessary, so that there is no ambiguity left and to enable proper cost estimation/ bidders to quote for correct materials / works / services. The specifications should be drawn up in general terms without quoting reference to any particular firm or taking it as model specifications.
- 5.1.2** The indentors should not ask for proprietary materials or draw up specifications that would result in proprietary procurement, except in cases, where proprietary procurement is unavoidable. Specifications should normally be drawn in such a manner that there is a wide field of suppliers.
- 5.1.3** Before creating the Specifications/ Scope of Work, indentors should check if specifications for the particular requirement have been standardized within ONGC centrally. Wherever specifications have been standardized no further approval will be required.
- 5.1.4** Whenever specifications have not been standardized, specifications will be prepared by the concerned User / Indenting department. Such specifications shall need the approval of the competent authority as per para 34.1 of MM Manual.
- 5.1.5** Before finalization of scope of work Inputs may be taken from -associated teams, category manager (if applicable), empanelled vendors or vendors from whom we have previously purchased the material and / or service.
- 5.1.6** While specifying mobilization/delivery/completion period in the tenders, a realistic approach should be adopted by taking into account the experience gained during the past in similar type of tenders.
- 5.1.7** Utmost care should be taken while working out the 'quantum of work', so as to stipulate the same in the tender in a realistic manner and as accurately as possible along with a provision for positive and negative variation for certain quantity in actual situation.

5.2 Goods and Services

- 5.2.1** While finalization SOW / specifications the following elements should be considered:
 - a. Full description of the materials/services required

- b. The quantity of materials or the duration of the service as applicable
- c. All relevant codes, standards, technical qualifications applicable
- d. All relevant Company HSE, Quality and Inspection requirements
- e. The warranty requirement of the material
- f. The indent must specify the time by which the material is required. In Indent, the definite delivery schedule and the place at which the materials are to be delivered and / or dispatched will be indicated. Firm period of delivery is to be indicated while raising the purchase requisition. However for staggered delivery separate line items to be created indicating quantity and date by which material is to be delivered.
- g. Delivery of the equipment, whose utilization is interdependent, is synchronized in such a way that none of the equipment remain idle for want of others
- h. Where commissioning and erection of equipment is involved, the capability and capacity of the manufacturer for the purpose must be assessed thoroughly before placement of order.
- i. Where installation of equipment is involved all necessary suitable infrastructural facilities should be made available well in advance before receipt of material at destination.
- j. Indication of Standard sizes/ranges in Indent: As far as possible, indents should be for standard sizes/ranges of the equipment.

(MM/15/2016 dated 05.07.2016)

- k. Material required for petroleum operation in PEL/ML in nominated blocks or NELP/other eligible blocks and the material required for any other areas may be indicated separately in tender document.

5.3 Civil Works

- 5.3.1** In case of civil works, all the responsibilities of the indenter detailed above will be undertaken by the Technical Project Team of the civil department.
- 5.3.2** Horticulture works shall be handled by Horticulture section. In case horticulture section is not available at a particular work centre, then it shall be handled by the Civil Dept.

5.4 LSTK

(MM/112/2023 dated 30.11.2023)

- 5.4.1** Finalization of Scope of work (Offshore Projects)

- a. Execution methodology of projects will be approved by the CPA (**concerned L-1** has full powers).
- b. As Far as possible, scope of work for LSTK should be made on the basis of Front End Engineering Design (FEED) / functional specifications.
- c. Based on the broad scope of work available in Draft Feasibility Report (DFR) prepared for approval of the scheme, Project Group/MDT/indenter/user group shall prepare the detailed and firm scope of work, to the extent to facilitate bidders to prepare the cost estimate to reasonable accuracy and bid for it. The detailed scope of work is to be developed and finalized in consultation with technical consultant appointed for the Project and the inputs from the MDT.
- d. Geo Technical Investigation and seabed survey, for obtaining Soil and Bathymetry Report, shall be carried out through Marine Survey Group and data analyzed by IEOT / Rig Move & Safety cell and soil/ bathymetry reports so finalized will be part of bidding document for well /process platforms. Advance action for obtaining the soil data shall be initiated since re-sampling / shift in location may be necessitated due to reasons such as Punch through, obstruction etc. In case of any location found not suitable due to various reasons including punch through, obstructions etc. Project group shall take up the same with the sub-surface and get a revised location released at the earliest.
- e. MDT / sub-surface team of Asset will provide the location co-ordinates for proposed surface facilities, drift & direction of Wells to be drilled (if any). Well slot diagrams for all wells indicating type and size of conductors (vertical / curved / vacant) shall be obtained from drilling services.
- f. Information regarding Bathymetry, soil and other surveys e.g. Pipeline route/ corridor, shore approach, platform approach and other relevant environmental data for Pipeline Projects shall be coordinated with Marine Survey Group and put into the Bidding documents for Pipeline/Sub-sea Cable Laying Projects.
- g. Estimated number of crossing, Pipeline free span and no. of one-line valve, Laterals & PLEM (if any) may also be indicated in the Bidding documents, in consultation with Consultant / Asset.
- h. Area identified for the Project on existing Platforms shall be clearly marked up on a drawing and signed jointly with FPS/Asset representative to avoid the area being utilized for some other purpose.

5.4.2 Finalization of Scope of work (Onshore Projects)

- a. Execution methodology of projects will be approved by the CPA (**Concerned L-1** has full powers).

- b. As Far as possible, scope of work for LSTK should be made on the basis of Front End Engineering Design (FEED) / functional specifications.
- c. Based on the broad scope of work available in the FR (DFR) prepared for the approval of the scheme, Head Engineering Services in the Asset / Basin / Work centres shall prepare the detailed and the firm scope of work, to the extent to facilitate Design Division / external consultants to provide Basic engineering including order of magnitude estimates and preparation of Technical Bid Packages. The detailed scope of work is to be developed and finalized taking into account the technical inputs from MDT / Asset / Basin / Work centers.
- d. Geotechnical investigation for obtaining soil report and topographical survey shall be carried out by the Asset / Basin / Work centres and soil / survey report so finalized will be part of the bidding document for Onshore Surface facilities / Pipe lines.
- e. MDT /Asset / Basin / Work centres will provide the location coordinates for proposed surface facilities /pipe lines.
- f. Asset / Basin / Work centre will carry out Site survey and soil investigation (for surface facilities) and route, cadastral survey and soil investigation / resistivity surveys (for pipe lines projects) including hydrographic and bathymetry survey as may be needed and also crossing details i.e. rail / road / river / water bodies etc. along with profile, number, location. All such site related details will be furnished by the Asset / Basin / Work centres and furnished to Design Division / project group for incorporating in the bidding documents.
- g. In case of revamping / modification works envisaged in the scope of work, site survey / physical health check shall be carried out by the respective discipline engineers of Consultant / in house group for preparing the related scope of work for the Bid Package.

5.5 Third Party Certification /Inspection Agency

- 5.5.1** Certification / Inspection Agency may be appointed to issue Certificate of Fitness in respect of quality as per defined specifications.
- 5.5.2** Scope of work for third party certification/Inspection work shall be prepared by the indenting with details of specs to be inspected, tests to be carried out etc. For civil works and other projects the Technical department in consultation with and duly vetted by Engineering Consultant should prepare the scope of work.

5.6 Revision in Scope of Work

- 5.6.1** Once given along with the indent (final release of indent on the system), SOW would be considered as final.
- 5.6.2** In case after the pre bid conference, if it becomes necessary to change the specifications post inputs from the vendors then same would require approval of the competent authority, who initially approved the scope of work, with full justification.

(MM/26/2017 dated 21.06.2017)

- 5.6.3** After Invitation to Bid, where no pre-bid conference takes place, no change in specifications or scope of work or special conditions of contract is admissible generally. If the indenter seeks revision in any of the above based on the queries received or otherwise, the approval of the concerned authority as per clause No. 34.1.1 and 34.1.2 of MM Manual will be required with full justification..
- 5.6.4** Change in scope of work / specification after opening of tender is not permissible, except for cases of OEM (both spares & service) where OEM doesn't quote some of the items precisely as per tender specification, due to obsolescence etc.
- 5.6.5** (Relocated at 15.3.3.1)

6 Indenting

6.1 Procedure for Placing Indent on Materials Management

6.1.1 The following will be required to raise a PR

- a. Approved Scope of work / specifications (including technical sanction for civil works, SCC, BEC, PQC, Specs, delivery schedule etc.)
- b. Financial concurrence (only in case there is no line item budgeting and financial concurrence could not be done at budgeting stage)
- c. Cost Estimate
- d. Administrative Approval

(MM/26/2017 dated 21.06.2017)

- e. – Deleted -
- f. – Deleted -

6.1.1.1 In case of any urgent requirement (new or additional requirement), the case for procurement/contracting can be processed without sanction with the approval of concerned Key Executive. Even in such cases, the sanction note must be initiated before/along with the proposal for approval of BEC by competent authority. However price bid will be opened after obtaining necessary sanction.

6.2 Process for Raising of PR under centralized procurement

6.2.1 For procurement of material / services with standard specification, the central indenting team which manages the procurement shall frame specification and circulate the specifications sheet to the assets.

6.2.2 In case standard specifications do not exist, then the central indenting team which manages that procurement circulates a checklist of defined specifications / specifications used in previous procurement to the user group for gathering the requirement.

6.2.3 The central indenting team which manages that procurement defines a reasonable timeline in which the user group must respond to the requirement. The concerned Chief of Services will place the consolidated indent and convey the required expenditure sanction to the centralized procurement team. If the Chief of Services fails to respond with the requirements to the central indenting team in the defined timeline then procurement for those items will not be undertaken for that work centre.

6.2.4 On receipt of the requirements from the different assets, the central indenting team consolidates the requirements.

6.2.5 The MRP controller runs checks on the consolidated requirements.

6.2.6 The central indenting team which manages that procurement / category manager (if applicable) reviews the cost estimated for the procurement at the time of budgeting and revises the cost estimate only on a need basis.

6.2.7 Once the scope of work and cost estimate is finalized, the PR is created by the central indenting team which manages that procurement if the budget is with the central indenting team otherwise the PR will be created by the indenter.

6.3 Process for Raising for PR de-centralized procurement

6.3.1 The user group defines the scope of work and the technical specifications.

6.3.2 The scope must be technically approved by the technical sanction authority as per BDP (for works and LSTK).

6.3.3 MRP controller shall check the material requirement as per 1.9.5.

6.3.4 The user / Category Manager (if applicable) reviews the cost estimate for the procurement at the time of budgeting and revise the cost estimate only on a need basis.

6.3.5 Once the scope of work and cost estimate is finalized, the PR is created by the user.

6.4 OEM purchase

6.4.1 Equipment / OEM-wise indents for stores & spares: Indents for procurement of stores and spares will be raised equipment / OEM-wise.

6.5 Appointment of Domain Experts/Consultants

6.5.1 As far as possible only in-house design engineering resources shall be availed. The appointment of consultant shall be resorted only in case where in-house facility is not available. The appointment of consultant will be approved as per BDP. Further, as far as possible hiring of consultants should be done against Open/Limited tenders instead of on Nomination basis to ensure competitiveness.

6.6 Additional guidelines for preparation of PR

6.6.1 For ICB tenders, item's specified in Directorate General of Foreign Trade's negative list should be imported only if license has been obtained from DGFT. The list is available at DGFT's website(www.dgft.gov.in) and the indenter should check it before raising PR.

6.6.2 Indication of source of supply in Indent: For open tenders, the indentors, while sending indent to concerned Materials Management, will invariably check the historical ONGC vendor data base to suggest at least three number of parties who are prospective suppliers of items as per designed specifications. Similarly, for items being purchased first time through open tender, the indenter will indicate at least 2 potential sources of supply who meet the designated specifications.

6.6.3 Timing of Raising Indent

a. Auto Indent for items

- i. In the case of items for which the auto re-order point will be fixed, the indent will be automatically generated by the system. MM can proceed with purchase of such material without any further reference to indenter and finance.
- ii. Only in case of shortfall in the expenditure sanction, MM will refer the indent back to the indenter for additional expenditure sanction.

b. Wherever maximum/minimum and re-order levels have not been fixed for auto indenting, the indenting section will continue to assess its requirement and to place its indent on the purchase section.

c. Ad-Hoc Purchases: As far as possible, adhoc purchases will be avoided. Items, for which there is repeated emergency purchase, will be added to the list of Stock Items, which would be progressively increased and the list of Non-Stock items correspondingly reduced.

6.6.4 Grouping of Items: Whenever the purchase involves items to be purchased in groups, the same grouping should be intimated along with indent by the indenter.

Sieving of items should be properly done at the indent stage itself so that items independent in nature are indented separately.

6.7 Technical Sanction for Civil Works

6.7.1 The PR may be created and released on the basis of preliminary scope of work and cost estimate.

6.7.2 However, a detailed cost estimate based on specification, essential drawings and preliminary structural and service designs shall be prepared for obtaining technical sanction by the competent technical accepting authority. The Technical Sanction (TS) to the estimate must be obtained before the tenders are invited. Powers for approving technical sanction shall be exercised as per powers delegated under the relevant 'Item No.' of BDP.

- 6.7.3 Technical sanction must be accorded by the competent technical accepting authority after satisfying himself regarding basis of estimation, detailed scope of work, design etc.
- 6.7.4 In case of multi-component projects / sub-heads of works, sanctioned (Exp. Sanction) by the Competent Authority for which a clear and specific provision exists in such expenditure sanction, TS may be accorded for each such component by an authority, as defined under BDP.
- 6.7.5 In case of LSTK projects which includes civil works also, no separate technical sanction for civil works will be required if entire technical bidding document is approved by the CA.

6.8 Excess over Expenditure Sanction

(MM/81/2023 dated 10.01.2023)

- 6.8.1 In case the indent value exceeds the budgeted amount, the additional sanction must be obtained and conveyed along with the indent.

(MM/106/2023 dated 29.09.2023)

- 6.8.2 In case, of occurrence of any shortfall in expenditure sanction before or during tendering, the tendering process shall not be held up for want of additional expenditure sanction. However, Price bid shall not be opened without additional expenditure sanction, if any, except in the cases where original sanction/revised expenditure sanction has already been accorded by the Board; in such cases, additional expenditure sanction shall be obtained from the Board after Price bid opening. In cases where original/revised expenditure sanction has been obtained at below Board level and if after revision, the case falls within the powers of the Board, then in such cases also additional expenditure sanction shall be obtained from Board after opening of Price bid.

In case, there is a variation in the cost of project by more than +/- 30%, between the date of obtaining sanction from the Board and NIT date, then sanction for the revised project value is required to be obtained from the Board, before issuance of tender.

- 6.8.3 In case any shortfall of sanction is known after price bid opening then Notice of Award should be only placed after obtaining additional expenditure sanction.

6.9 Capital Items Purchase

- 6.9.1 Before raising of indent for capital items, all concerned should make sure that the same/similar capital item is not available either in any stores or any of the sites.

6.10 Radioactive material or items containing radioactive sources

- 6.10.1** In case of existence of Radioactive material in any form in the goods intended for import, the permission from the Department of Atomic Energy should be obtained by the indenting department before the indent is placed.

7 Procurement strategy

(MM/112/2023 dated 30.11.2023)

7.1 Large project procurement strategy

- 7.1.1 Process of designing procurement strategy for large projects (Cost estimate >Rs 50 Crores) should normally be aimed to decide what parts can be done in-house and which parts need to be outsourced for timely completion of the project in an effective manner also by maintaining competition and ensuring on-going performance.

(MM/114/2023 dated 20.12.2023)

- 7.1.2 A workshop involving representatives of Indentor(s), User(s), Finance, Legal (if required), MM, MIND (for the categories under their scope) and any other concerned dept.(wherever necessary) shall be held to decide on the procurement strategy. Final decision on the procurement strategy will be taken by the Concerned L-1 based on recommendations from the workshop. Concerned L-1 shall have full powers.

- 7.1.3 In case, workshop need not be conducted, then approval of CPA shall be required. (Concerned L-1 shall have full powers in MCoDP / CoDP cases). Also, repeat approvals are not required if last tender of similar project was given approval to go ahead without workshop.

- 7.1.4 Key procurement strategies for large projects:

- a. EPC LSTK: The entire project from engineering, procurement and construction will be contracted out to a single contractor on a lump sum turnkey basis. The contractor could then use sub-contractors as necessary and will do the project management for the same as well.
- b. Mixed contracting: The project management role will be done by ONGC and there will be separate contractors for Engineering/Procurement (E& P could be reimbursable or lump sum) and Construction (Typically on a lump sum basis). This type of contract allows better control for ONGC and could lead to improved project performance in terms of timely completion, expected performance, cost competitiveness
- c. EPCM: There will be separate contractors for Engineering/Procurement and construction. The construction management role will also be done by contractor performing engineering and procurement. The EPCM (Engineering, Procurement and construction management) contractor will take up considerable project management from ONGC.
- d. EPC Reimbursable: EPC Contractor is paid for its services on an hourly rate. It is paid for procurement and construction based on actual costs, plus an added pre-determined profit margin. Typically represents high cost competitiveness but risk of cost overruns will be on ONGC

7.1.5 Guidelines around deciding on level of outsourcing in projects:

- a. Two key considerations to be considered by ONGC in determining the contracting strategy are ONGC's expertise in project management (including ability to manage multiple interfaces) in specific type of project being considered and criticality of the project.
 - (i) If the project is critical and ONGC possesses the requisite experience in project management (including ability to manage multiple interfaces), then ONGC should prefer Mixed type of contracting.
 - (ii) If the project is critical and ONGC does not possess the requisite experience in project management (including ability to manage multiple interfaces) in the specific type of project then EPC LSTK contracts should be preferred.
 - (iii) If the project is not critical and ONGC possesses the requisite experience in project management (including ability to manage multiple interfaces) in the specific type of project then Mixed contracting should be considered subject to availability of the professionals; EPC LSTK contracts should be considered for all cases where ONGC has expertise but there are not enough resources to be dedicated to the project.
 - (iv) For all other cases, EPC LSTK contracts should be the preferred procurement strategy.
- b. The above options can be used for even smaller value projects (<Rs. 50 crores) without mandating workshops.

Additional guidelines:

- (i) The market trend for consumer products must always to be kept on the focus.
- (ii) Wherever feasible, price formula should be firmed up before commencement of execution of Project.
- (iii) Wherever possible, long term commitment should be made from the prospective parties before going ahead for execution of project.
- (iv) A detailed check list should be available for monitoring and mid course corrections.

7.2 Procurement strategy of goods/services

7.2.1 Purchase of frequently ordered goods/services with limited suppliers

- a. For common items required continuously throughout the year in large quantities, common services hired repeatedly through the year and limited

suppliers (as determined in market study), centralized rates contracts should be entered into. However, for work centre specific items/services required continuously throughout the year RCs may be entered into at respective work level.

- b. Items/Services for which rate contract should be concluded will be identified and the list will be reviewed and additions made every year depending upon the past consumption or on anticipated consumption. Rate contracts will not be entered into in the case of items/services for which the market shows marked downward trend. In order to provide against a rise/fall in the market price during the currency of the rate contracts that are valid for more than a year, the contract may include the standard Fall Clause/ suitable escalation/ de-escalation clause).

7.2.2 Purchase of frequently ordered goods/services with multiple suppliers

- a. For items/services required continuously throughout the year in large quantities/multiple times and with multiple suppliers (as determined in market study), it may be advantageous to have empanelled vendors where items/services are procured by a limited tender requesting only for price bids.

7.2.3 Contracting options for Services

- a. Open book /Cost plus contracts(Government Department Only)
 - (i) Cost plus contracts will be preferable for services with unstable underlying prices and no clear indices that reflect the variation in prices. Also, these contracts are suitable where full extent of service required is not known at the time of award of contract.
 - (ii) In cost plus contracts, service providers will be reimbursed based on actual costs incurred.
- b. Fixed plus escalation/fall
 - (i) Fixed cost contracts with escalation/fall clauses are preferable for services with unstable underlying prices and where reliable indices are available that reflect the variation in underlying prices. Instability in prices should be determined based on the time period considered for the contract.
- c. Fixed price
 - (i) Fixed price contracts are preferable for services with stable underlying prices. These contracts can also be used in cases where ONGC decides to keep the procurement of services to a pre-determined budget but it is to be then kept in mind that cost competitiveness of such procurement could be low.

7.3 Provision to use Empanelment

- 7.3.1** Empanelment will be an option that is applicable across different procurement strategies explained in this section. The mentioned type of procurement strategies can be executed with empanelled vendors based on status of empanelment and convenience in the specific category of procurement.

7.4 Market Study

- 7.4.1** Market studies would be a key tool in helping assess the mode of tendering to be used for the procurement.
- 7.4.2** Detailed market study should be carried out. Information must be gathered about the supply market from which the good or service will be purchased.
- 7.4.3** Responsibility:
- a. Category Manager (if available for procurement type)
 - b. MM team (if there is no category manager for procurement type)

8 Mode of tendering

(MM/60/2020 dated 13.11.2020)

(MM/112/2023 dated 30.11.2023)

8.1 Procurement through Government e-Marketplace (GeM):

(Procurement through GeM shall be governed by procedure, process, General terms & conditions (GTC) as published on GeM portal subject to exception/exclusion, if any, mentioned hereunder Para 8.1 and its sub paras. Wherever procurement is being done through GeM, the provisions stipulated herein under shall prevail, superseding any other similar provisions appearing elsewhere in the IMMM)

The Government has created an internet portal called Government e-Marketplace (GeM) to provide an end-to-end online Marketplace for Central and State Government Ministries / Departments, Central & State Public Sector Undertakings (CPSUs & SPSUs), Autonomous institutions and Local bodies, for procurement of common use goods & services in a transparent and efficient manner. Suppliers and buyers can register on this portal. GeM facilitates seamless process flow and standardized specifications with complete audit trail.

For procurement of Goods/Services, the items/services available on GeM shall be procured through GeM portal only. The procurement through GeM shall not be mandatory under specific situations stipulated in IMMM e.g. purchase through board of officers, emergency purchase etc. In case item is not available in GeM, purchase through other procurement methods as specified in IMMM may be resorted to subject to a mention to this effect by Indenting Department.

Efforts shall made for onboarding all the items / services (along with Technical specifications and other item specific conditions) being procured in ONGC on GeM portal as a continual process. Further, onboarding of vendors for respective items as per process of GeM shall be taken up.

In exceptional circumstances only, where procurement through GeM cannot be done, purchase through other procurement methods as specified in IMM Manual can be resorted to with the prior approval of CPO. However, valid reasons shall be recorded while seeking such approval.

Note: The word supplier/seller/service provider has been used interchangeably.

8.1.1 Registration of users in GeM

- 8.1.1** The Registration of users and authentication in GeM is based on OTP driven Aadhar authentication. The users are segregated into primary and secondary users. Primary user is the nodal authority from his organization for GeM portal who will not perform any tendering activity on the GeM portal. In-charge of Materials Management at work centre will be the primary user for all departments including indenting and finance departments of that work centre. The main roles and responsibilities of Primary user are to act as representative of ONGC, filling of ONGC's details and creation of Secondary Users, editing their roles and their deactivation.

Secondary users are Buyers (Indentor, Dealing Officer from MM deptt/Tender Processing Group), consignee (Receipt section at stores or Indentor as the case may be) and Paying Authority (Finance Deptt.). In case of Services, Indentor shall be consignee. Secondary users will be of minimum E1 level except consignee at stores. They will be nominated with the approval of concerned Head of the Department (L-2, L-3 level) / I/c-Finance (in respect of payment authority)/I/c MM (in respect of buyer (dealing officers from MM deptt.) and consignee at stores), as the case may be. Since the User Id is transferable, it shall be assigned to successor in case of movement of primary/secondary user from the work centre.

The Primary & Secondary users shall be responsible for role/responsibilities defined herein including those stipulated in GeM.

8.1.2 Procurement Process:

The following procedures shall be followed for procurement through GeM, as per process prescribed in General Terms and Conditions available on GeM portal:

8.1.2.1 Purchases without tendering (bidding)

8.1.2.1.1 Direct Purchase without bidding:

Procurement upto the limit as specified by GeM for Direct Purchase in General Terms and Conditions available on GeM Portal shall be done through Direct Purchase without tendering (bidding) as per process defined in GeM portal.

8.1.2.1.2 L-1 purchase without bidding:

Procurement above the limit of Direct Purchase and upto the limit as specified in General Terms and Conditions available on GeM Portal, in this regard, shall be done through L-1 Purchase without tendering (bidding) as per process defined in GeM portal. However, option of creating a bid in GeM portal can also be exercised in this case.

Note: Applicable for both Para 8.1.2.1.1 and 8.1.2.1.2 above:

- i) PR/PO/GRV shall be created for all procurement through GeM irrespective of value.
- ii) It will be ensured by Indentor (buyer) that the chosen supplier is not on ONGC's suspension or banning list of defaulting firms.

8.1.2.2 **Purchase with tendering (bidding)**

- 8.1.2.2.1 Procurement for the value as specified for bidding, in General Terms and Conditions available on GeM portal, shall be done through tendering (bidding) in GeM, as per process defined in GeM portal.

The tenders to be processed through GeM shall not require uploading of NIT and tender documents on ONGC tender/ ONGC e-tender/ CPPP portals. The GeM system automatically sends information about tenders to prospective suppliers registered with them

The option of 'Bid to RA' as available in GeM portal while creating bid, will be utilized for the cases valuing Rs.1.00 crores & above and wherever, item/product/services meeting all the technical requirement is available from at least 3 different manufacturers/service providers in GeM market place. In case of procurement of Goods, as the name of Sellers are not visible in GeM portal while searching for the product, manufacturers may be identified based on the Brands as seen in the GeM market place. Dealing officer shall keep screenshot from GeM portal in this regard for the purpose of record.

8.1.2.2.2 **Bid Validity :**

While creating the bid, bid validity shall be stipulated as available on GeM portal subject to maximum 45 days. The Bid Validity can be further extended with mutual consent between ONGC and Seller, as per General Terms and Conditions available on GeM Portal.

- 8.1.2.2.3 GeM has its own pre-defined terms & conditions and hence, ONGC's terms and conditions and GCC shall NOT be incorporated to ensure that there is no confusion amongst the bidders/ sellers.

(MM/72/2022 dated 14.01.2022)

(MM/112/2023 dated 30.11.2023)

In case unloading of material at consignee location is to be kept in the scope of ONGC and not in the scope of supplier, suitable provision in this regard can be kept in tender conditions with the approval of CPA. (concerned L-1 has full powers in this regard).

8.1.2.2.4 **Earnest Money Deposit /Performance Security:**

- i) EMD/Bid Security @1% of estimated cost put to tender shall be required from the bidders in all the cases beyond the limit specified in General terms and conditions available on GeM Portal.

All terms and conditions with regard to submission of EMD including the categories of Sellers exempted from furnishing the EMD shall be as per General terms and conditions available on GeM Portal.

- (MM/100/2023 dated 29.08.2023)
- ii) Performance Security/ PBG shall be required from the successful bidder, as per General terms and conditions available on GeM Portal.

The provisions on type of instrument/ format/submission time/ exemption/ Validity/ return / forfeiture etc. as applicable on GeM portal in respect to Earnest money Deposit/Bid Security/ PBG/ Performance Security/ Security Deposit shall be applicable.

However approving authority shall be governed as per BDP/IMMM, in case any approval is required.

(MM/72/2022 dated 14.01.2022)

The validity of PBG shall be obtained for 60 days beyond delivery period/completion period. In case PBG is required to be valid for additional period (including warranty period), the same can be done with the approval of CPA, while inviting tender.

(MM/119/2024 dated 02.02.2024)

The monetary limit for Performance Security / security deposit for GeM procurement cases for supply of goods and for Services will be as under:

- i. Supply of Goods – 5% of order / contract value.
- ii. All type of services – as per table below.

Contract Period	% of PS/SD
Upto 1 year	5% of the total contract value
More than 1 year and upto 2 years	3 % of the total contract value
More than 2 years	2% of the total contract value

(MM/78/2022 dated 10.10.2022)

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8.1.2.2.5 Opening of Bids

Opening of bid shall be as per process defined in GeM Portal.
Presence of bidder (supplier) will not be required during bid opening.

Clarifications may be sought from the bidders as per provisions on GeM portal.

(MM/113/2023 dated 08.12.2023)

- 8.1.2.2.6 While seeking approval of CPA for short-listing of bidders for price bid opening, detailed reason along with references to respective clause of bidding document, should be explicitly brought out while rejecting bid during technical evaluation in GeM.

Technical comments shall be provided at the level as mentioned at Para 13.2.1.

The technical bids (offers) of sellers who are under suspension/ banning in ONGC shall be rejected so that price bids of such bidders (sellers) are not opened and they are precluded from obtaining orders through GeM.

- 8.1.2.2.7 After price bid opening if it is observed that the name of the L-1 supplier appears in the list of suspended/banned firms in ONGC, the order shall not be placed on such supplier, the case will be retendered in GeM. If the same firm participates in the retender, its offer shall be rejected during technical bid evaluation as brought out at para no. 8.1.2.2.6.

- 8.1.2.2.8 The Price bids of the technically acceptable bidders will be opened by the dealing officer. Presence of suppliers will not be required during price bid opening. Ranking is automatically determined by GeM and order shall be placed on L-1 bidder displayed by the GeM software.

- 8.1.2.2.9 Purchase preference policies:

Purchase preference policies as implemented on the GeM portal will be followed.

- 8.1.2.2.10 (Applicable for both Procurement with bidding or without bidding)

Purchase Order shall be placed through GeM website only.

However, for facilitating inspection, acceptance, material accounting and payment, corresponding PO shall be parallelly created in ICE, which however shall not be sent to the seller. The GeM order number shall be entered in the field "Requirement No." (Requirement Tracking Number) available at PO line item in ICE for ease of reference.

As the PO created in ICE is for accounting purpose and all terms & conditions shall be governed by GeM PO, PO created in ICE is required to be released only and

signed PO is not required for preparation of QCC, GRV and processing payment. GeM PO must be uploaded in Documents area in ICE PO.

8.1.2.2.11 Inspection Agency shall be as per Para 21.2 and 21.3 of IMM Manual. Inspection shall be carried out at Source or destination as specified in the GeM contract and bid document as per terms and conditions mentioned in General Terms and Conditions under GeM Portal. Inspection of Chemicals shall be carried out as per para 21.7 of this manual.

(MM/109/2023 dated 30.10.2023)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

8.1.3 Applicability of BEC Formulation Committee and Procurement Evaluation Committee shall be as per para 10 of this Manual.

Approval from competent authority shall be obtained as mentioned in MM Manual/BDP.

8.1.4 Mechanism for dealing with Tie-breaking at L-1 position:

If two or more acceptable techno-commercially bidders are found to have quoted identical lowest bid price-

- i) In case of bids for Goods, Reverse Auction shall be conducted, as per General Terms and Conditions under GeM portal.
- ii) In case of Services bids, the agency shall be selected from amongst the L-1 bidders through a Random Algorithm run by GeM system.

8.1.5 Applicable for Automobile category on PAC basis :

As per GeM, only OEM are eligible for enlistment as sellers for procurement of vehicles under Automobile category. As such, Buyer may go for Direct Purchase even beyond **Rs. 25,000/-** for Vehicles under Automobile category.

8.1.6 – Deleted -

8.1.7 Adherence to time norms:

The time for all activities in GeM are specified in the documentation and online resources available on their portal and these are to be strictly adhered. In case any process like acceptance of goods is not carried out by the user in GeM within the prescribed time limit, the system will assume that the goods are acceptable and automatically carry out the process by itself at the end of the time limit.

It shall be the responsibility of the involved departments like Purchase section, QAD, Receipt Section of MM (consignee) and Finance to carrying out immediate actions to prevent default.

The time norms for various activities stipulated in GeM has been defined in SOP of GeM Tenders. However, users shall be required to keep track of changes taking place in GeM by keeping themselves abreast with documentation/ instructions available on GeM portal and strictly follow the time norms stipulated therein.

8.1.8 Incident Management Policy:

Incident Management Policy provides a framework for identification and handling of deviations on GeM portal. A deviation can occur either pre-order placement or post order placement. Work centres will bring cases of deviation/default to the notice of GeM as per process defined in Incident Management Policy on GeM. The process of vendor banning described at para 17.5.2 of the IMMM will not be followed in case of defaults arising out of procurements through GeM.

8.1.9 Reasonability of Rates:

Reasonability of Rates shall be ascertained as per para 14.1.1 to be read in conjunction with para 8.1.3 above. For this purpose, data, information and tools available in GeM may also be utilized.

MM/84/2023 dated 27.02.2023

(MM/112/2023 dated 30.11.2023)

- 8.1.10 In case option of increase in Order quantity in terms of GeM provisions is exercised at the time of placement of order or during the currency of contract, the approval of CPA for enhanced order value considering the increase in order quantity, shall be obtained.

However, for cases approved by MCoDP /CoDP, concerned L-1 shall have full power for approving enhancement in contract value due to quantity increase exercised during currency of contract.

8.1.11 – Deleted –

- 8.1.12 Any amendment in MM Manual provisions on procurement through GeM, which are consequent upon the changes in GeM portal shall be incorporated with the approval of CPO. Further, any exception/ exclusion to the procedure, process and General terms & conditions (GTC) as published on GeM portal shall also be made with the prior approval of CPO.

- 8.1.13 Detailed process to be followed for purchase through GeM has been detailed in SOP for GeM tenders, which is uploaded in MM website. Modifications in SOP within the broad guidelines provided in IMM Manual shall be carried out with the

approval of CPO as per changes brought out from time to time in the provisions of GeM policies.

8.2 Open tenders

(MM/31/2018 dated 13.03.2018)

- 8.2.1 Except for situations covered under provisions at para 8.2.4 and 8.2.6, when the value of the tender is more than Rs.10.00 lakhs, open tenders will be invited. Open tenders will be advertised through ONGC tender website (<https://tenders.ongc.co.in>) & e-tender portal (<https://etender.ongc.co.in>) (for e-bids).

All tenders published on ONGC tenders portal shall be uploaded / updated by Corporate Communication on Central Public Procurement Portal (CPPP) on the same day.

- 8.2.2 Tender inviting Section shall ensure that Invitation to Bid published in ONGC tender/e-tender portal indicates various details/milestones of the tender (such as Tender No., starting/closing date of downloading tender document, Brief Description, completion/ delivery Period, Last date of Receipt of Clarifications for Pre-bid conference (delete if not applicable), Pre-Bid conference date / time (delete if not applicable), Techno-commercial bid closing/ opening date/time etc.

The closing date of downloading tender document will be the same as tender closing date.

The NIT published on the ONGC tender/e-tender portal should also stipulate that for details of this tender including corrigendum if any, bidders should logon to ONGC web site “tenders.ongc.co.in” and “etender.ongc.co.in” (for e-bid). In case of exigencies ONGC at its option may decide to extend Techno-commercial bid closing/ opening date/ time in future which will be posted on the above referred website for information. Bidders should regularly visit ONGC tender website and e-procurement portal for the latest information in this regard.

New vendors should ensure to approach ONGC for issue of vendor code number along with all the required documents minimum 5 working days prior to bid closing date.

- 8.2.2.1 The detailed Invitation to Bid along with complete Tender Documents will be uploaded on ONGC’s tender website along with e-tender website (for e-bids) by concerned department.
- 8.2.2.2 Amendments to the NIT after its issue should be made where absolutely necessary and unavoidable.

(MM/10/2016 dated 23.03.2016)

8.2.2.3 – Deleted –

(MM/31/2018 dated 13.03.2018)

8.2.3 Open tender bidding documents will be available on ONGC websites “tenders.ongc.co.in” and “etender.ongc.co.in” (for e-bid) and the bidders should download the tender document from the website only.

8.2.4 Invitation of open tenders will not be necessary in the following cases:-

- i. Purchases against ONGC/NICSI Rate Contracts; and
- ii. Where the sources of supplies are known and limited
- iii. Where vendors for the procurement category have been empanelled
- iv. Where procurement is proposed through Government-e-Market (Gem)

(MM109/2023 dated 30.10.2023)

8.2.5 For invitation of Limited Tender, in cases where open tender is to be invited due to reasons mentioned at 8.2.4(ii), Pre Qualification Criteria (PQC) should be prepared by indenter. Indenter should also ensure that the shortlisted bidders meet the PQC requirement.

There should be minimum of 5 short listed bidders for such type of procurement/service contract on limited tender value. In case short listed bidders are less than 5 then approval of one step higher than the CPA should be obtained. Shortlisting of bidders & PQC made initially would be approved by the CPA & concerned L-1 will have full power in this regard.

8.2.6 In case, Limited Tenders are proposed to be invited (as against open tender to be invited based on the value of the tender) and the vendors for the specific procurement are not empanelled, then the bidders should be identified and short-listed by the indenter, who should also determine and certify that short-listed bidders meet the pre-qualification criteria (technical) advised as per the instructions in vogue. Such short-listing of the bidders and the PQC are to be approved by the competent authority, as per the provisions contained in para 34. Thereafter, prequalification criteria (technical) need not be incorporated in the tender.

(MM/04/2015 dated 28.04.2015)

- 8.2.7** The names and addresses of vendors who meet the shortlisted criterion along with the PQC must be uploaded on ONGC tenders website. Thereafter, 10 calendar days time will be given to any bidder who meets the PQC but is not included in the list uploaded earlier, to forward their request for issuance of tender enquiry, along with relevant documents (to establish their compliance with the pre-qualification criteria). In this regard, guidelines issued vide circular No. 01/2005 dated 27.01.2005 appearing in the list of valid circular (which are now applicable for tenders valuing above Rs. 10 lakhs) should be followed.

8.3 Electronic Reverse auction

(MM/01/2015 dated 16.03.2015)

8.3.1 Electronic reverse auction is an online real-time procurement technique utilized by the procuring entity to select the successful submission, which involves the presentation by suppliers or contractors of successively lowered bids during a scheduled period of time and the automatic evaluation of bids;

8.3.2 The reverse auction process can be used to replace any price bid evaluation procedure to determine L-1 like the comparison of sealed price bids.

8.3.3 Applicability: In all the tenders which are proposed to be processed under Reverse Auction, it should be clearly specified in the BEC that ONGC reserves right to go for Reverse Auction process or may finalize the tender without Reverse Auction, if required. However, the decision to conduct Reverse Auction or not will be conveyed to short-listed bidders prior to opening of price bid. Procurement by means of an electronic reverse auction should be engaged under following conditions:

- a. Procurement of common goods and services, which are those where performance and quality characteristics can explicitly be defined beforehand in the bidding documents using widely-known and unambiguous market specifications. Services whose characteristics are largely intangible, whose progress tends to have a degree of unpredictability, and their inputs and outputs typically vary from project to project (and therefore are hard to define beforehand) will not be considered a common service.
- b. There is a competitive market of suppliers or contractors anticipated to be qualified to participate in the electronic reverse auction, such that effective competition is ensured;
- c. The tenders for items covered at a) & b) above shall have a provision for conducting reverse auction. However, after techno commercial evaluation, if number of technically & commercially acceptable offers are less than 04(Four) for any item (where evaluation is done separately) then no reverse auction may be conducted for such items (but the Work centers shall take appropriate decision regarding conducting offline price negotiation, if required, for such items as per provisions under para-14.2 of MM manual). Reverse auction shall be conducted for the remaining items. Accordingly the decision to conduct reverse auction shall be communicated to shortlisted bidders prior to opening of price bid.

(MM/33/2018 dated 18.04.2018)

(MM/113/2023 dated 08.12.2023)

- 8.3.4 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 commenced.

In case reverse auction for all items/group in a tender cannot be completed on same day, **Procurement Evaluation Committee** may decide to conduct reverse auction for balance items/groups on next working day and same may be informed to the bidders.

- 8.3.4.1 The applicable exchange rate for conversion and the customs duty to be loaded for each item (for foreign bidder) and basis of evaluation for domestic bidders (Ex-Works or FOR Destination) shall be conveyed by ONGC to the concerned bidders prior to commencement of Reverse auction.
- 8.3.4.2 The price bid data shall be tabulated immediately after opening of price bid in SRM and evaluated prices shall be worked out in the sample calculation sheet based on evaluation methodology of BEC and shall be signed by the **Procurement Evaluation Committee** members. After tabulation of the priced bid data, the dealing officer in presence of the **Procurement Evaluation Committee** shall confirm the evaluated prices with respective short listed bidders and feed in system the lowest evaluated price further decremented by 0.5% as ceiling price.

8.3.5 During the auction:

- a. All bidders shall have an equal and continuous opportunity to present their bids;
- b. There shall be automatic evaluation of all bids in accordance with the criteria, procedure and formula provided to suppliers or contractors ;
- c. Each bidder shall receive, instantaneously and on a continuous basis during the auction, sufficient information allowing it to determine the standing of its bid vis-à-vis other bids;
- d. There shall be no communication between the procuring entity and the bidders or among the bidders, other than as provided for in subparagraphs (a) and (c) of this paragraph.
- e. Minimum bid decrement of bidders will be 0.5% of the last price entered by respective bidder.

8.3.5.1 Features of the online event:

- (i) The bidding direction of this event is downward. Bidders cannot raise their bid once the event has opened and they have submitted a bid.
- (ii) Bidders must bid for the complete quantity of each item as quoted in SRM bid. The prices should be quoted as per the sample calculation sheet provided in the bidding document.
- (iii) Bidders only see their own numeric rank (in 'Rank only' format) or the lowest bid and their own numeric rank (in 'Rank with L1 price' format). At no point of time will any bidder see the names of other bidders, or the prices of bidders other than the lowest bid.
- (iv) The lowest evaluated price (of short listed bidders based on their price bids submitted initially in SRM) further decremented by 0.5 % (minimum decremental value in the RA) shall be the Ceiling price or the maximum permitted starting bid in reverse auction for all bidders.
- (v) A bidder will not be able to see the rank for a lot until the bidder submits an initial bid.

8.3.6 The procuring entity shall not disclose the identity of any bidder during the auction. No mobile phone, alternate network connection or any other communication device other than the identified official landline number (to be communicated to the bidders) shall be allowed in the reverse auction room. The identified numbers of ONGC for this purpose should be intimated to the bidders well in advance. Similarly, the telephone numbers of bidders for the authorized interaction with bidders should be obtained through 'Bidders' Response Sheet'. Also till the reverse auction is over no member of the team conducting RA shall be allowed to leave the room.

(MM/33/2018 dated 18.04.2018)

8.3.7 Separate auction event shall be held for each item/group evaluated.

This process of a reverse auction event 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.

The process of reverse auction shall automatically close thereafter.

Reverse auction for next item/group of the tender shall be initiated after closure of previous auction.

8.3.8 Bidders at their own interest should ensure uninterrupted internet connectivity at their end during the Reverse Auction with necessary backups to take care of any connectivity problem. However, in case of failure in connectivity of any of the bidders, the Reverse Auction time will be extended once against request of each bidder, if the request is received within the auction time. Such extensions shall each be of 10 minutes and no more than one request for such extension from each bidder shall be entertained in an Auction. **Procurement Evaluation Committee** will be empowered to extend the RA time. The extension of auction time shall be communicated to all the bidders through system broadcast message and also intimated telephonically to the bidders who are disconnected from Reverse Auction at that point of time.

In case no conclusion can be drawn from RA from best bid history or where Reverse Auction is inconclusive on account of system malfunctioning or break in internet connectivity at ONGC SYSTEM end, RA shall be re-conducted. In such scenarios, the dealing offer shall obtain the status from the SRM team of Project ICE and thereafter **Procurement Evaluation Committee** shall put up recommendations to CPA for approval to conduct the RA again.

The procuring entity can suspend or pause the reverse auction, if required. In such eventuality the duration of the auction shall be extended by ONGC for the period for which auction was under pause/suspension.

8.3.9 Types of Auction:

(i) 'Rank with L-1 Price' bid format:

In "Rank with L-1 Price" bid format, during the process of Reverse Auction, the short-listed bidders shall be able to see only the current lowest price and their respective ranks/position during the online bidding process in the system, based on which they may reduce their prices. This type of auction shall be adopted in those tenders where neither any purchase nor any price preference is applicable.

(ii) "Rank Only" bid format:

In "Rank Only" bid format, during the process of Reverse Auction, the short-listed bidders shall be able to see only their respective ranks/position during the online bidding process in the system, based on which they may reduce their prices. This type of auction shall be adopted in case of tenders, where purchase preference (for MSEs) is applicable, so as to take care of purchase preference at the end of the Reverse Auction.

8.3.10 **Procurement Evaluation Committee** will decide on choice of the option i.e. "Rank with L-1 price" or "Rank Only" at the time of short-listing of the bidders depending on the bidders at that stage who are eligible for purchase preference.

8.3.11 Purchase Preference:

Under purchase preference eligible bidder whose quoted price is not lowest get an opportunity to match L-1 price if their quoted price falls within the stated percentage difference from the lowest quote. If the bidder matches the prices, he gets the order otherwise the original L-1 bidder gets the order. In Reverse Auction, if the L-1 price is seen by all the bidders, it is apprehended that the bidders eligible for purchase preference can position their prices always within the purchase preference range which would be an unintended advantage. Hence, to facilitate purchase preference in a fair and transparent manner, the Reverse Auction shall be held in “Rank Only” format, if any of the short-listed bidders are eligible for purchase preference. After conclusion of Reverse Auction, if any of the eligible bidder for purchase preference falls within the specified limits for purchase preference, such bidder will get opportunity to match with L-1 price.

8.3.12 **Procurement Evaluation Committee** members shall remain on the spot till the completion of the Reverse Auction process.

8.3.13 Apart from the participating bidders, the RA shall be visible while in progress to ONGC only through one user login. i.e. user login of Dealing Purchase officer who shall display the RA to **Procurement Evaluation Committee** members. The identity of the bidders shall not be disclosed to **Procurement Evaluation Committee** and the dealing officer. Even the prices of bidders shall not be visible to the dealing officer and the **Procurement Evaluation Committee** at the time of Reverse Auction in case of “Rank Only” bidding.

8.3.14 In case of a tie during auction i.e. two bidders entering same lowest price, the bidder who enters the prices first in the system would be taken as L-1 and the other bidder would see their ranking as L-2.

8.3.15 On completion of Reverse Auction, the history of Reverse Auction shall be signed by the dealing officer and **Procurement Evaluation Committee** members. In case of non-availability of **Procurement Evaluation Committee** members due to any contingency, they should nominate suitable officers to represent them to witness the Reverse Auction. However, **Procurement Evaluation Committee** members would sign the proceedings afterwards.

8.3.16 After completion of online event of Reverse Auction within 24 hrs, the bidders would re-submit breakup of their final quoted evaluated price as per relevant appendix of sample calculation sheet so as to enable ONGC to award the purchase order/contract. Bids of those bidders who fail to provide cost break-up sheet or adhere to prices quoted during the online event will be rejected and the bid bond / EMD of such bidder shall be forfeited. However, in such case of break up, the prices of any of the items shall not be increased above the prices submitted in SRM.

8.3.17 For the purpose of e-procurement and Reverse Auction, the dealing officer is the executive handling the case and carries out all actions like publishing the tender in e-tender portal, uploading ceiling prices for Reverse Auction and carries out all activities connected with processing of the case both in manual & e-procurement modes.

8.3.18 In case of no response from any bidder in reverse auction, the original evaluated L-1 price will be considered for further action.

8.3.19 The case shall be processed further for award or otherwise based on L-1 prices received at the end of Reverse Auction. Price reasonability will still need to be established even though the bidding process is through Reverse Auction and ONGC will reserve the right to negotiate with L-1 bidder as per Guidelines.

(MM/112/2023 dated 30.11.2023)

8.3.20 The Reverse Auction shall be implemented first on pilot scale in five high value tenders of Corporate MM and based on the outcome of these five cases, PMC in consultation with Corporate MM shall put up their recommendation to MCoDP for further extending reverse auction to other tenders in ONGC.

8.3.21 With the assistance of ICE team, training for vendors shall be facilitated to meet:

- a. Online help documentation for bidder registration to SRM portal including process of obtaining digital certification.
- b. Training to all eligible/interested bidders, if required, on the Reverse Auction process prior to conduct of Reverse Auction.

8.3.22 The due date and time for price bid opening and conducting the event of Reverse Auction should be intimated well in advance to the bidders, through the System.

8.3.23 For the cases to be processed under RA, the CPA will be with reference to sanction value or the original evaluated value of L-1 bidder before the RA process, whichever is higher.

8.3.24 Dispensation from e-RA:

After invitation of tender, depending upon the response of the bidders during pre-bid conference (if applicable), if it is felt that it would not be feasible to go for RA process in the tender, then in that case approval for dispensation from RA process would have to be obtained from the CPA giving detailed reasons as to why RA cannot be adopted. Concerned L-1 shall have full powers in such cases.

8.3.25 Cases pertaining to purchase on single tender basis from OEM/OES/PAC basis and tenders for LSTK contracts shall be exempted from RA process.

8.4 Limited Tenders

8.4.1 Limited tenders would be mode of tendering for purchases upto Rs.10.00 lakh or if limited number of suppliers are available or if vendors for the category of procurement are empanelled

8.4.2 <Applicable if vendors have been empanelled for category of procurement>

Limited tenders to empanelled vendors can be done as per empanelment procedure. If Quality and cost based selection (QCBS) is proposed to be used, additional documents needed specifically in excess of documents submitted for prequalification can be requested for quality evaluation along with price bids.

(MM/31/2018 dated 13.03.2018)

8.4.3 For procurement through limited tender, the tender need not be advertised through ONGC tender portal “tenders.ongc.co.in”.

(MM/10/2016 dated 23.03.2016)

8.4.4 For limited tenders upto Rs.10 lakhs, MM department / tender processing group may send enquiries to vendors known to ONGC. The enquiries will also be sent to the registered vendors as defined in para 17.1 based on documents submitted for specific item/service/category of procurement. MM department / tender processing group at each work center shall make necessary arrangements for registration of vendors as per para 17.1, keeping in view of the requirements of the work center. Guidelines under para 8.2.7 on formulation of PQC and use of website in tender shall not be applicable for limited tenders covered under this para.

8.4.5 Enquiries should be sent to as many firms as possible to ensure competition. The list of selected suppliers, to whom enquiries have to be sent, will be approved by the competent purchase authority. The minimum number of inquiries to be floated will be as under:-

Value	Number of enquiries
For tenders from Rs.1,00,000/- to Rs 5,00,000/-	5
For tenders from Rs.5,00,001/-to Rs.10,00,000/-	7

8.4.6 For tenders valuing less than or equal to Rs.10 Lakhs, when the number of vendors known to / registered with ONGC is less than the required, the enquiry may be sent to all such vendors after obtaining the approval of an officer one level higher than the Competent Purchase Authority.

8.4.7 Procedure for purchases upto Rs.10 lakh:

The dealing officer will float limited tender enquiries, as per para 8.4.3, 8.4.4, 8.4.5 above.

After receipt of offers within the closing time and date, the offers shall be opened by the nominated opening officers from Finance & user group. After opening, the offers will be handed over to the concerned dealing officer who shall tabulate the data from the offers in the comparative statement, to be prepared within two working day. In all cases where technical evaluation is involved, the duplicate copy of the offers is to be referred within one (1) working day to the indenter for technical comments. The indenter [not below E-1] shall furnish the technical comments immediately, which in no case shall exceed five working days. Subject to provisions of clause 34 of this Manual, the approval of CPA as per BDP will be obtained before placing order (within 10 working days from opening of bids) without holding **Procurement Evaluation Committee**.

Note: Provisions 8.4.4 to 8.4.7 are not applicable if vendors have been empanelled for category of procurement

8.4.8 In case of limited tender, the question of post tender technical rejection is not at all desirable, except when technical rejection of bids is due to deviations from tender specifications / scope of work. Hence, authorities approving the selection of such bidders should be very meticulous.

NOTE:

ICE team is in the process of creating necessary provisions for online registration of bidders for various categories of items for procuring the same against limited tenders. Till the time the said process is completed, respective In-charges of MM/ Level –II in case of user departments are advised to ensure that following guidelines are meticulously followed:

- (i) For issuing Limited Tender enquiry, an items / category wise list of prominent and reliable firms possessing Permanent Account Number (PAN) and Sales Tax / CST / VAT Registration number (as applicable) will be maintained in a register by conducting market survey, web search, checking information about suppliers on SAP system etc.
- (ii) Aforesaid list shall be reviewed and if necessary updated on half yearly basis. However, name and addresses of the prospective vendor shall be added in said list as and when necessary.

- (iii) Officer(s) nominated by respective Level-II of user department /I/c MM for maintaining such list shall obtain approval of I/c-MM/ Level-II in case of user department, for finalizing / updating said list of vendors.
- (iv) Proper record in respect of the name, addresses and source of information of the listed vendors shall be maintained.
- (v) Any case for de-registration of firms shall require approval of I/c-MM/ Level-II in case of user department.

8.5 Purchase on single tender

8.5.1 Key Executives must ensure that the cases are processed in time for procurement of goods/services to meet the operational requirement, so that extension/award of contracts on nomination basis is avoided. Due diligence should be carried out before placing the order on nomination basis and award of cases on nomination/extension of cases must be brought down to bare minimum. All out efforts should be made to expeditiously accord expenditure sanction after administrative approval and the cases should be processed well in advance considering the time taken for various approvals and time taken by MM for processing the tender including mobilization period, if any, to avoid situation forcing award on nomination basis.

(MM112/2023 dated 30.11.2023)

8.5.2 Wherever, the procurement is to be carried out on PAC/Nomination basis prior approval of **concerned L-1** shall be obtained bringing out the detailed justifications for resorting to such PAC/Nomination basis. The reasons for resorting to particular vendor/service provider should also be explicitly brought out.

8.5.3 All proposals, where PAC/Nomination approvals have been obtained from the competent authority and safety and operational aspects are involved, are to be finalized on priority with best efforts to negotiate with bidder for obtaining possible price reductions. It must be ensured that such items purchased against PAC are consumed/put into use within one year from the date of receipt of the material.

8.5.4 In case of nomination cases, the question of post tender technical rejection is not at all desirable. Hence, authorities approving the selection of such bidders should be very meticulous.

8.5.5 Procurement Evaluation Committee should specifically bring out and deliberate the following while seeking approval for award on nomination basis:

- a) Reasons and justification for award on nomination basis instead of competitive bidding.
- b) Reasons and justification for recommending a particular vendor/service provider for nomination contract.

c) Reasonability of rates to be explicitly ascertained/confirmed.

8.5.6 Each contract proposed to be awarded on nomination basis is a separate contract and CPA should be determined as per the BDP based on value of individual contract.

8.5.7 Purchase of non-proprietary items

Purchase of non-proprietary items, on single tender basis, will be resorted to only in the situations of emergencies like flood, fire, civil disturbances, war, cyclones, blow out and operational break down and/or reliability of material/equipment/services as per provisions under para 8.10. Detailed justification for resorting to emergency / operational break down/reliability of material/equipment/services should be recorded at the time of processing the proposal for approval of competent authority as per powers delegated under BDP.

8.6 Hiring of services of Domain Experts/Specialists/Consultants:

(MM/112/2023 dated 30.11.2023)

- a. Domain Experts are individuals/universities/institutes with established reputation for specified knowledge and experience in specific areas of Science and Technology. It is neither feasible nor desirable to engage such individuals/universities/institutes through tenders. Therefore,
 - i. Each Director shall constitute a Technical Team to identify Domain Experts in relevant disciplines,
 - ii. The identified Domain Experts shall be contacted by the Director for acceptance of retainer ship followed by empanelment, and
 - iii. In case the expert is not empanelled, the concerned Director may request the services of particular Domain Expert for specific studies and tests.
 - iv. For cases involving Collaborative Research, MoU should be the preferred way of entering into contract. MoU shall be signed by concerned Director following in principal approval from MCoD.
- b. Tender procedure (limited or open) could also be applied to the selection of consultants and specialists where quality and cost weights shall be determined based on importance of technical competence to the success of the assignment/project as explained in QCBS section.
- c. In the areas where ONGC institutes are likely to have overlapping capabilities, the following exercise necessarily be carried out:

- i) Capability of ONGC institutes be ascertained to know if they are in a position to provide the in-house expertise for the particular project.
- ii) If not so, do they have names of agencies to suggest to approach for such expertise, to have possibility for adequate competition explored, before opting in for award of work on nomination basis

8.7 Petty purchases

(MM/44/2018 dated 30.11.2018)

8.7.1 Subject to the provisions under para 8.1, purchase upto Rs.25,000.00 (annual cap as per BDP) at a time may be made without formal enquiries or without obtaining hand quotations by User Departments themselves. Such purchase shall be resorted to only in case item either not available in GeM or can't be procured through GeM as per provisions under para 8.1 of the IMMM.

8.7.2 Proper safeguards/deterrence need to be made to avoid in fructuous expenditure on purchase of petty items like stocks covered under kits and liveries. In order to obtain competitive & comparable rates for procurement of these items, standardized specifications notified by HR-Corporate Policy Group from time to time should be meticulously adopted. Further, as far as possible while procurement of such items, it should be ascertained that the items being procured are manufactured by the companies possessing relevant IS certificate issued by Bureau of Indian Standards (BIS).

8.8 Purchase against Hand Quotations

(MM/44/2018 dated 30.11.2018)

8.8.1 Subject to the provisions under para 8.1, Purchases above Rs. 25,000.00 up to Rs. 100,000.00 shall be made on hand quotation basis by User Departments themselves (subject to annual cap as per BDP) by obtaining at least three hand quotations for all types of procurement. A list of prominent and reliable local firms will be maintained by all concerned. Hand quotations will be collected on rotation basis whenever there is scope for rotation. A certificate will be given by the Officer making such purchase that hand quotations were obtained on rotation basis. The names and addresses of the firms from whom quotations are obtained will be given in the certificate. Where the number of dealers is limited i.e. less than six(6), rotation system need not apply.

Such purchase shall be resorted to only in case item either not available in GeM or can't be procured through GeM as per provisions under para 8.1 of the IMMM.

8.8.2 Purchase from State Emporium / Govt. Deptt /Undertakings

Whenever items are available in State Emporium / State Govt. or Central Govt. Undertakings, purchases are to be made from them only and in those

cases, the requirement of obtaining three hand quotations will not be necessary.

8.9 Purchase through board of officers

(MM/112/2023 dated 30.11.2023)

- 8.9.1 Purchase by a board of Officers will be resorted to only in exceptional circumstances when the materials / services / works are either required urgently to overcome an exigency or because the indenter is not able to give firmed up / detailed specifications (necessitating on the spot decision based on the availability in the market) so that procurement cannot be made under the normal purchase procedure, provided further that prior approval of the **concerned L-1 executive**, is obtained and furnished along with the Purchase Indent, before resorting to purchase through a board of officers. Board Purchase should not be resorted to for CSR projects and for award of contract of long duration.

(MM/114/2023 dated 20.12.2023)

- 8.9.2 **Concerned Level-1 executive** is empowered to constitute a Board of Officers comprising of Executives as below:

Constitute a Board of Officers comprising of Executives as below: CPA (As per BDP)	Level of Rep. from MM (for cases dealt by MM) / <u>Tender Processing Group(TPG)</u>	Level of Rep. from Finance	Level of Rep. from Indenter
Level-2 and above	<u>Head MM / L2 from TPG</u>	I/c Finance	L2
Level-3/E6	<u>L-3/E6</u>	<u>L3/E6</u>	L3/E6
Level-4/E5	<u>L-4/E5</u>	<u>L4/E5</u>	L4/E5
E-4	E4	E4	E4
E-3	E3	E3	E3
E-2	E2	E2	E2

Proceedings of such purchase boards (comprising of executives of competent level) will not need approval of any authority, since spot decisions are required. However for cases beyond the powers of the board, the case shall be put up to the competent authority for approval.

- 8.9.3 If for any reason it is not possible to constitute a purchase board with competent officers, the board may be constituted with an officer of the next below rank. However, the reasons should be recorded in writing.

- 8.9.4 For carrying out the purchase, the board of officers shall explore the local markets as first priority, before seeking offers from outside the city/town. Further, the board of officers shall obtain as many quotations as possible so as to determine the reasonability of rates. In case the supplier(s) do not agree to give the hand quotations, this fact will be recorded by the board of officers in their proceedings.

(MM/52/2019 dated 13.11.2019)

- 8.9.5 The board of officers will decide on waiver of EMD & SD for board purchases. The board also has full powers to hold negotiations.

The same Board will resolve all the post contract issues encountered during execution of the contract. If some member of the Board is not available due to any reason, a substitute member may be nominated by the Competent Authority for nominating Board members.

- 8.9.6 Simpler terms and conditions (similar to Appendix 3 of this manual for goods procurement) are to be used for purchase through board of officers to enable efficient functioning of this procurement method if the cost estimate is below Rs. 10 lakh. In all other cases, terms and conditions will be decided according to cost estimate.

- 8.9.7 In case petty items like socks covered under kits & liveries are being procured through board of officers due to the reasons that the indenter is not able to give firmed up detailed specifications (necessitating on the spot decision based on the availability in the market), then, in such cases, items of reputed brands should be purchased as far as possible. Further, wherever necessary quality check of these items should be ensured by the work centre itself, under consultation with QAD, rather than depending on self-certification by bidders.

- 8.9.8 The board of officers will, if necessary, be authorised to make purchases from market on cash basis.

8.10 Emergency purchase

(MM/05/2015 dated 01.06.2015)

- 8.10.1 Emergency purchase (including hiring of services on emergency), directly by user department without reference to Purchase Wing (including items indicated under para 1.3.1 and 1.3.2 which are procured centrally by Corporate MM, Delhi) shall be resorted in the situations of emergencies - like flood, fire, civil disturbances, war, cyclones, blow out & fire, operational break down or likelihood of operational breakdown where it is necessary to restore normalcy of equipment, machinery or vehicles and the urgency does not permit following the normal methods of purchases. In such cases standard terms & conditions of tender documents may not be applied.

Special Emergency purchase in case of blow out is delegated as per actuals to L-1, subject to conditions stipulated at BDP Chapter 25.1.

- 8.10.2 Detailed justification for resorting to such emergency purchases should be recorded at the time of processing the proposal for approval of competent authority as per powers delegated under BDP.
- 8.10.3 Reporting of single tender cases on nomination basis would be done as per the provision contained in this Manual and instructions issued from time to time.
- 8.10.4 Quantity to be purchased shall be restricted to the minimum essential and the purchase shall be accounted for immediately by submitting Pre-receipted indent along with the Inspection Report, Invoice, Delivery Challan and Purchase Order, to the Materials Management (Stock) for raising GRV.
- 8.10.5 Concerned Indentor / User department shall ensure sufficient stock of critical spares and the materials for which repeated emergency purchases have been made, by following normal methods of purchase through MM department.

(MM/112/2023 dated 30.11.2023)

- 8.10.6 MM department in all work centers need to ensure that the items purchased under emergency purchase are issued and certified by user that they have been put in utilisation. Delay in consumption of such items, if any, are to be apprised by the concerned Key executive. to CPO, with reasons.

8.11 Expression of Interest(EOI)

- 8.11.1 This method shall be used when the indenting group is not reasonably sure on the specifications/scope of work/source of supply and would like to take the help of prospective bidders in finalizing the same. Approval of the concerned L-1 would be required for resorting to EOI route. EOI is not a tender and shall be used by User group to explore market conditions
- 8.11.2 Identification of likely Sources
 - 8.11.2.1 Enquiry for seeking 'Expression of Interest' from bidders should be published in at least one national daily and the ONGC tender web site. The web site address should also be given in the advertisements. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by ONGC, eligibility and the pre-qualification criteria to be met by the bidder and bidder's past experience in similar work or service.
 - 8.11.2.2 The bidders may be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested bidders.

8.11.3 EOI Document

8.11.3.1 ONGC shall prepare an EOI document. The EOI document shall contain following information:

(i) Invitation to EOI: It shall include a copy of the advertisement whereby bidders are invited to submit their EOI.

(ii) Brief about objectives and scope of work: This may include brief description about objective of carrying out the assignment, broad scope of work and expected deliverables of the assignment. This may also include the place of execution of the assignment.

(iii) Instructions to the Bidders: It may include instructions regarding nature of job; submission requirement; requirement of bid processing fees; if any; last date of submission; place of submission; and any related instruction.

(iv) Formats for submission. This section shall specify the format in which the bidders are expected to submit their EOI.

(MM/113/2023 dated 08.12.2023)

8.12 **Placement of purchase order against ONGC Rate Contract**

Purchase orders against ONGC Rate Contract will be placed by concerned User Section of the Work Center without MM support.

9 System of tendering

9.1 Two bid system

9.1.1 Two Bid system will be compulsory for all the tenders pertaining to procurements / works valuing above Rs.10 lakhs except cases pertaining to OEM/ OES/ PAC/ Single Tender Nomination.

9.1.2 Under Two Bid System the bidders will be asked to submit 'Techno-commercial' and 'Price' bids separately in sealed cover duly super scribed and both the offers placed in one single sealed cover, at a central place. For this purpose, suitable labels in different covers will be provided with the bidding documents.

9.1.3 The techno-commercial bids will be opened first and **evaluated**.

(MM/48/2019 dated 07.02.2019)

(MM108/2023 dated 30.10.2023)

9.1.4 After techno-commercial evaluation, bidders, whose bid have been rejected, shall be informed about the reasons for rejection of their bid through official e-mail id mentioned in the bid. Such bidders can review reason for rejection of their bid and raise a one-time representation to challenge rejection for any incorrect disqualification within 2 days of such intimation. Work centers will have to respond to all such representation before opening of price bids.

Techno-commercially acceptable bidders will be notified (by fastest mode like company's official e-mail, indicated in the offer) for the date of opening of priced bids in public, allowing a period of not exceeding 2 working days, depending upon the urgency of requirement and location of bidders, so as to enable such bidders to participate in tender opening, if they so like. In order to facilitate the bidders to know the details of other bidders short-listed for opening of price bids, besides mentioning the date, time and venue of the price bid opening, the names and particulars of all the bidders being invited to participate in the price bid opening should also be indicated in one common letter which should be addressed to all the bidders who have been short-listed for price bid opening. For this purpose, identified fax/ official e-mail of the firm indicated in the offer is to be used. The priced bids will be opened by Tender Opening Officers who are already detailed for opening of tenders as per provisions of para 12.24 of the Manual. For item/group-wise tenders, price bids should be sealed individually for items/groups and placed within the final price bid envelope submitted

9.1.5 Price bids, which remain, unopened with ONGC, are to be returned to the concerned bidders within a period of 5 working days of receipt of Performance Guarantee Bond (s) from the successful bidder (s).

9.2 Single bid system

- 9.2.1** Single Bid system shall be followed for all the tenders pertaining to procurements / works/ SERVICES valuing upto Rs.10 lakhs except cases where QCBS methodology of tender evaluation is used.

10 Tender related officers and committees

(MM/113/2023 dated 08.12.2023)

10.1 **Formation of BEC Formulation Committee and Procurement Evaluation Committee**

(MM/60/2020 dated 13.11.2020)

(MM/113/2023 dated 08.12.2023)

- 10.1.1 No BEC Formulation Committee or Procurement Evaluation Committee (PEC) will be held for cases valuing up to Rs. 10 lakhs. However, all procurement cases (including finalization of Rate Contracts), valuing above Rs. 10 lakhs, will be handled by BEC Formulation Committee or PEC, as applicable. Further, irrespective of the value of the case, placement of orders against ONGC Rate Contracts and also for emergency purchase under chapter 25 of BDP shall be processed by the Indenting/User Section directly, without referring to BEC Formulation Committee or PEC. For award of contract against nomination cases irrespective of the value BEC Formulation Committee or PEC shall comprise of representative of Indenting/User Section and Finance Section at respective level. These committees are also not required for OEM/OES cases up to Rs. 10 lakhs.

10.1.2 **Formation of BEC Formulation Committee**

- 10.1.2.1 BEC Formulation Committee will have one member each from Finance & MM for the tender being processed by MM Department. For the tenders being processed by other than MM Department, one member each from Indenting/User Section & Finance shall be part of BEC Formulation Committee. For centralized procurement of Material/Services/LSTK projects under CPD, MM and Finance member will be part of respective Group under CPD whereas for procurement at Work Centre, MM and Finance member will be from the Work Centre.

BEC Formulation Committee will be involved in the formulation of BEC after receipt of Indent and upto opening of Techno-Commercial Bid. It will be involved in finalization of Commercial Tender Conditions (i.e. Commercial BEC, Special conditions of Contracts (commercial), Price Bid format and payment schedule etc.). The Committee will also attend the Pre-bid Conference (if applicable) and also respond to any commercial and financial queries of vendors during pre-bid or otherwise. The Committee will submit the recommendation to CPA for obtaining the approval of various tender conditions and for invitation of tender.

10.1.2.2 **Formation of Procurement Evaluation Committee (PEC).**

Constitution of PEC will be similar to BEC Formulation Committee. This Committee will be involved in all the stages after opening of Price Bid upto award of contract and also for Post Contract issues subsequently. After price bid opening, each member of the PEC shall in the first meeting itself give an undertaking (as per proforma enclosed at Appendix 11 that he/she does not have any personal interest in the Companies/Agencies participating in the tender process and that any change

in status resulting in creation of personal interest during tender processing shall also be declared by the concerned members of PEC, as and when it arises during tender processing.

- 10.1.2.3 For various stages between opening of Techno-commercial bid and opening of Price Bid, approval of competent authority shall be obtained through vertical note, without routing through concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) or the Finance Department.

10.2 Convening of BEC Formulation Committee and Procurement Evaluation Committee

- 10.2.1 The concerned Materials Management (CPD/Work Center) /Tender processing Group will convene the meeting of these committees.

- 10.2.2 <Applicable after IT infrastructure is available>The committee meetings will happen virtually over video conference whenever possible in order to avoid hassle of convening all members in one location. Also, all briefs and documents will be available online and any approvals/recommendations of these committees can be done online.

10.3 Brief for and level of BEC Formulation Committee and Procurement Evaluation Committee

- 10.3.1 Constitution of BEC Formulation Committee and Procurement Evaluation Committee:

The following levels of MM/Tender Processing Group & Finance officers shall constitute BEC Formulation Committee and Procurement Evaluation Committee:

Sl. No.	CPA (As per BDP)	Level of Rep. from MM/ Tender Processing Group	Level of rep. from Finance
1	L-I and above	Head MM-CPD/L-II of Tender Processing Group (for tenders being processed by other than MM) / Head MM (at units)	Head Finance-CPD/Head or I/c Finance at Work Centre
2	Head MM-CPD/ Head MM (at units)/L-II	Second Level MM-CPD/L-III of Tender Processing Group (for tenders being processed by other than MM) / Second Level MM (at units)	Second Level Finance-CPD or Work Centre
3	Second Level MM-CPD/L-III/ Second Level MM (at units)	Third Level MM – CPD/ L-IV of Tender Processing Group (for tenders being processed by other than MM) / Third Level MM (at Units)	Third Level Finance-CPD or Work Centre

4	Third Level MM – CPD/ L-IV / Third Level MM (at Units)			
	Tender value>Rs.25 Lakhs		E4	E4
	Tender upto Lakhs	Value Rs.25	E3	E3

Note:

- (i) Under Central Procurement Department, respective Procurement Group Heads will act as Head MM-CPD and respective Procurement Segment Incharges will act as Second Level MM-CPD. At Work Center/Unit level, designated In-charge MM will act as Head MM.
- (ii) For cases where CPAs are below L-I, Head/ I/c MM, Head/ I/c Finance or L-II of Tender Processing Group shall nominate the respective member for the committees.
- (iii) 2nd and 3rd Level Officers from Finance and MM Deptt shall be identified by I/c Finance, I/c MM respectively with the approval of concerned Level I Executive.
- (iv) Deleted
- (v) The level of Committee members and CPA will be with reference to sanction value or tender value whichever is higher. However, after opening the price bids, if the evaluated price of lowest bid / bids is higher than the tender value and the tender accepting power is not within the power of original CPA, then the CPA and level of Committee members will be raised to appropriate higher level.

(MM/114/2023 dated 20.12.2023)

For MCoDP /CoDP level cases, in case total value of contract(s) to be awarded against the tender falls within powers of CoDP/concerned L-1 (irrespective of sanction/tender value), approval for award of contract (s) shall be obtained from CoDP/ concerned L-1.

- (vi) If the required level of Committee member is not posted or on leave / foreign tour for at least 5 continuous calendar days at a Work Centre then the committee member will be of the next lower level available or as nominated by Head/ In Charge MM, Head/ In Charge Finance, L-II of Tender Processing Group. Thus,

an alternate committee member should step-in only when the regular committee member is either on leave or on foreign tour for at least 5 continuous calendar days.

However, in case of extreme urgency, which shall be recorded in file, alternate Committee member may be nominated with the approval of L-1 Executive, even when Committee member is on leave / foreign tour for less than 5 continuous calendar days.

- (vii) Deleted
- (viii) Deleted
- (ix) Deleted

- (x) For OEM/OES/PAC cases where tender value is upto 2.5% / 0.5% of open tender acceptance powers of Level-1 executive, Committee member shall be at L-3/ L-4 level (from concerned Indenting Department/User Department) and Second level/ Third level of Finance.

Where CPA is L-1 executive, recommendations of committee shall be put up for approval through Level-2 executive of concerned Indenting Department/User Department.

For nomination cases falling under para -24.1 (e) of the BDP 2015, where tender value is upto 0.5% of open tender acceptance powers of L-1 executive, Committee member shall be at L-3 level (from concerned Indenting Department/User Department) and Second level of Finance. In such cases, committee recommendations shall be put upto CPA (Level-1 executive) for approval through Level-2 executive of concerned Indenting Department/User Department.

- 10.3.2 The concerned dealing officer will prepare brief for perusal of **members of Committee** wherein complete details of case will be brought out. Such a brief, duly signed/submitted online, will be given to members of **Committee** well in advance of the meeting. This will, however, in no way, dilute the responsibilities of the **Committee**.

(MM/113/2023 dated 08.12.2023)

- 10.4 **Evaluation of bids by Procurement Evaluation Committee and preparation of Committee proceedings**

- 10.4.1 **Procurement Evaluation Committee** will examine the bids to prepare its recommendations for submission to the authority competent to accept the tender. Where a higher bid is recommended under exceptional circumstances adequate reasons in support of recommendation will be recorded

- 10.4.2 It will be ensured by both the Committee members that proceedings of Procurement Evaluation Committee are signed/digitally approved immediately on completion of the meeting, not exceeding 3 days from the date of the meeting.

Bids should be evaluated strictly in accordance with the BEC and tender conditions without allowing any relaxation.

(MM/26/2017 dated 21.06.2017)

- 10.4.3. The bid prepared by the bidder and all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser, shall be written in English language. Supporting documents and printed literature furnished by the Bidder in another language should be accompanied by an accurate translation of the relevant passages in English duly authenticated by local Chamber of Commerce of bidder's country

(MM/113/2023 dated 08.12.2023)

- 10.4.4 Processing of bids would be finalized as per the stipulated time schedule however in case finalization of bids has taken more time than the proper delay analysis would be done by Procurement Evaluation Committee.

10.5 Acceptance of recommendations of BEC Formulation Committee/ Procurement Evaluation Committee cceptance of recommendations of tender committee

- 10.5.1 All recommendations/briefs of the BEC Formulation Committee/ Procurement Evaluation Committee and note for obtaining approval of competent authority will be submitted through DISHA portal.

- 10.5.2 Any parallel physical files and approvals thereof will not be considered valid and should not be maintained.

- 10.5.3 Competent Purchase Authority can either approve or disapprove the recommendations of the Committee or give written directives for reconsideration of its recommendations.

(MM/112/2023 dated 30.11.2023)

(MM/10/2016 dated 23.03.2016)

- 10.5.4 Determination of CPA in following scenarios; (i) in cases where Committee member becomes CPA by virtue of becoming officiating CPA due to original CPA being on tour/leave and (ii) when the Committee member becomes CPA on promotion/elevation, and the recommendation of Committee was still to be accepted.

In case of scenario at (i) above, such recommendations, if time permits may be put up to the original CPA after his joining.

In cases of scenario at (ii) above and also when the time does not permit for action as envisaged in the scenario at (i) above, **Committee recommendations** should be sent to one level higher authority than the original CPA for acceptance. However, **concerned L-1** shall have full and final powers.

(MM/112/2023 dated 30.11.2023)

10.6 Management Committee of Directors – Procurement (MCoDP)

10.6.1 Proposals to ‘Management Committee of Directors – Procurement (MCoDP)’

- a. Issue relating to any major modification in the Materials Management policy of ONGC may be referred to the **MCoDP** [consisting of full time Directors as members and **Chairman & CEO/CMD** as Chairman of the Committee] for its advice / decision. However, before reference to **MCoDP** is made, endorsement of **CPO** will be obtained.
- b. In all cases exceeding powers of Committee of Directors – Procurement (CoDP), after price evaluation of short-listed bidders, purchase approval of Management Committee of Directors – Procurement (MCoDP) will be obtained, after endorsement by concerned L-1.

All cases exceeding powers of L-1, after price evaluation of short-listed bidders, shall require approval of Committee of Directors – Procurement (CoDP) comprising of three Directors i.e. i) The concerned Functional Director, ii) Director (Finance) and iii) One additional Director in the following order (Director (T&FS) / Director (Production)/ Director (Exploration)/ Director (HR) / Director (S&CA)) who is not the concerned Functional Director. In case of Director (Finance) being the concerned Functional Director, two additional Directors, in the above given order, shall be the members of the CoDP. Further, if the CoDP is not able to arrive at any decision, the case may be referred to the MCoDP. Such cases will be submitted to CoDP after endorsement by L-1 executive.

- c. Approval of **MCoDP** will also be necessary for cases involving enhancement in contract/ target value, falling beyond the powers of **L-1** as per BDP item no. 22.4.iii,. However, all endeavours should be made to avoid such situations.
- d. Submission of fait-accomplis cases to **MCoDP/CoDP** for approval should be avoided. As soon as it becomes evident that a contract which was estimated within **CoDP/L-1** Level powers is likely to exceed in value, a proposal should immediately be submitted to **MCoDP/CoDP (as the case may be)** for approval without waiting until the value actually exceeds this limit. Although it is felt that such eventualities should occur only in exceptional cases, where ever such situation arise, the work center must ensure that :-
 - (i) There is no drastic/major change in scope of work.

- (ii) Proper budget and expenditure sanction is available.
- e. Agenda brief of all MCoDP/CoDP proposals against a tender must begin with information regarding compliance to tender initiation/tendering/processing time norms supported by reasons for delay (if delayed) and chronology of events.
- f. Agenda brief for submission to MCoDP/CoDP should be complete in all respects, strictly in accordance with the provisions of MM Manual and the instructions issued from time to time on the subject, covering all critical issues and important aspects in brief; viz. (i) Chronology of Tender processing and justification for delay, if any, (ii) Sanction/estimation, Justification for nomination & BEC approval details, (iii) BEC compliance information of short listed bidders and Reasons for rejection of bids, if any (iv) Price evaluation and reasonability of prices(v) Representations received, if any etc.

(MM/74/2022) dated 21.06.2022

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

- g. A 'Summary Matrix for MCoDP/CoDP agenda' should be incorporated in the agenda brief and signed by the Procurement Evaluation Committee and the Key Executive.

The format for 'Summary Matrix for MCoDP/CoDP agenda' has been issued vide PMC circular 16/2022 (as amended).

Any changes / modifications to the 'Summary Matrix for MCoDP/CoDP agenda' shall be effected through PMC with approval of CPO.

- h. The proposals to MCoDP/CoDP should have endorsement of the concerned L-1.
- i. Proposals with respect to BEC should be referred to MCoDP only in case of any deviation/departure from last approved / standard BEC, policy and specific instructions, indicating only the changes/modifications sought in BEC with respect to said deviations, with proper justification.
- j. The presentation of the case/proposal in the MCoDP/CoDP meeting should be done by the concerned Key Executive who should come prepared to present the details along with all relevant documents/files related to the tender/proposal.
- k. The agenda brief for MCoDP/CoDP should be sent to MCoDP Cell well before the expiry of validities keeping in view that sufficient time is available to the MCoDP Cell for examination of the case.
- l. Over rushing proposals in the eleventh hour and tabling the agenda brief directly in the meeting without routing through MCoDP Cell should be

avoided. Only in case of urgencies, the **concerned L-1** may forward the agenda brief to **MCoDP** Cell for tabling the proposal in the next scheduled meeting & circulation on urgency basis recording the reasons for such urgency.

- m. All **MCoDP/CoDP** level cases requiring Legal clearance/opinion should be submitted for consideration to **MCoDP/CoDP**, only after obtaining Legal clearance/opinion from Chief-Legal Services, Corporate.
- n. Vital and critical issues should be properly deliberated by **Procurement Evaluation Committee** and highlighted such issues should be deliberated in the body of the main **MCoDP/CoDP** agenda and same should not be simply annexed as Annexures/Exhibits, which are meant for cross reference purpose.
- o. Agenda briefs being submitted to **MCoDP/CoDP** should be compact, to the point, self contained and containing only the specific and relevant issue(s), which require consideration and approval of **MCoDP/CoDP**. With a view to reduce the bulky volume of the agenda briefs, following guidelines should be meticulously followed:
 - (i) Entire **PEC** proceedings are not to be enclosed. Instead, only the copy of the last **PEC** proceedings bearing endorsement of **concerned L-1** should be enclosed.
 - (ii) Pre-bid Minutes are not required to be enclosed.
 - (iii) Techno-commercial evaluation chart is not required to be enclosed. However, price Comparative Statement vetted by Finance should be enclosed
 - (iv) Technical and commercial Matrix is not required to be enclosed.
 - (v) Detailed Techno-commercial evaluation is not required to be enclosed. However, detailed reasons for rejection of TNA/CNA bidders are to be mentioned.
 - (vi) Entire contract document should not be enclosed. In case any reference is required in the agenda, only the relevant clause/page/portion of the contract should be enclosed. Similarly, in case reference of any **MCoDP** Record Note/**MCoD/CoDP** /Board Minutes is required, only the relevant page(s) of the same are to be enclosed.
 - (vii) Correspondences with the bidders during evaluation stage are not required to be enclosed.
 - (viii) All pages in the agenda brief should be numbered and all enclosures should be properly indexed.

- p. For cases requiring approval for changes in BEC, the agenda brief should bring out brief background of the case and reasons/justifications for the changes.
- q. For cases requiring approval for award of contract, the agenda brief must bring out the salient features of the case, reasons for rejection of bids, reasonability of rates and specific recommendations for which approval of MCoD/CoDP is required. Further, guidelines issued by PMC, regarding submission of agenda briefs to MCoD/CoDP, should be followed.
- r. Before submission of agenda brief to MCoDP Cell, all the financial implications involved in the case should be very carefully examined and it should be ensured that all other contents of the agenda are error free.
- s. Normally cases should not be submitted to MCoDP for appraisal. However, in exceptional cases where CoDP desires that proposal is required to be submitted to MCoDP for appraisal, instead of submitting a bulky agenda brief, only one page brief description of the case and the reason as to why the case is required to be submitted to MCoDP for appraisal.

(MM/111/2023 dated 16.11.2023)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

(MM/114/2023 dated 20.12.2023)(para modified)

(MM/117/2023 dated 29.12.2023)

- t. The MCoDP/CoDP will meet regularly depending upon number of cases to be considered. For MCoDP meetings, while all functional Directors are envisaged to participate, due to exigencies of work if some Director(s) is / are not present, minimum quorum consisting of
 1. Chairman & CEO/CMD,
 2. User Director of that particular item/service/Turnkey contract/consultancy,
 3. Concerned Director to whom section processing the case is reporting to and
 4. Director (Finance), may consider and approve the proposal(s). For MCoDP / CoDP meeting, self-explanatory brief to be available online, duly signed online by the Procurement Evaluation Committee members (CPO, in case of Policy issues) along with relevant documents will be sent to MCoDP Cell for examination through CPO (for cases processed by CPD) / concerned Asset Manager / Basin Manager / Chief of Services / Head of Institutes / Regions for cases at Assets / Basins, etc [CPO for policy matters]. The brief should be available online well in advance before the expiry of validities keeping in view that sufficient time is available to the MCoDP Cell for examination of case. MCoDP Cell will examine the proposal(s) and seek clarification(s) from the concerned work centre(s) wherever considered necessary. A copy of brief will be circulated by MCoDP Cell to all members of MCoDP/ CoDP as well as to Chairman & CEO, ONGC for perusal. The MCoDP Cell will take action as indicated in clause 10.6.2 below.

10.6.2 Minutes of discussion of Management Committee of Directors – Procurement (MCoDP) / Committee of Directors – Procurement (CoDP)

(MM/101/2023 dated 29.08.2023)

(MM/112/2023 dated 30.11.2023)

a. The Management Committee of Directors – Procurement (MCoDP) will circulate amongst MCoDP members a copy of agenda brief and after discussions of the case in the meeting, will prepare draft record note of the MCoDP/ CoDP meeting within 2 working days and will seek the approval of Director Concerned, which needs to be accorded, with any changes in the Draft Record Note, if required, within a period of two working days.

b. After the approval of Director concerned or after expiry of two working days from the date of submission of Draft Record Notes for approval to Concerned Director, MCoDP Cell shall circulate the Draft Record Note to all the MCoDP/ CoDP members for their comments. Comments if any, are to be given by MCoDP/ CoDP Members on the draft Record Note to the MCoDP Cell within one working day.

For activities at Sl. No. 10.6.2 (a) and (b) above, Saturday will be treated as working day for this purpose.

c. The draft Record Note for MCoDP meeting will be modified by MCoDP cell based on the comments received from MCoDP members and thereafter will be submitted by MCoDP cell directly to Chairman for approval.

The draft Record Note for CoDP meeting will be modified by MCoDP cell based on the comments received from CoDP members and thereafter will be submitted to the member Directors for approval.

d. Summary of MCoDP decision with the approval of Chairman based on the discussions in MCoDP meeting, shall be issued for Agendas discussed, wherein the approval of MCoDP is required for either award of contract/order and/or for any dispensation sought during the processing a tender. In all the other cases, only the detailed Record notes shall be issued. For cases pertaining to appraisal or in case an agenda is withdrawn no record notes shall be issued. In case an Agenda is partially withdrawn, no record notes for the withdrawn portion shall be issued.

Similar process shall be adopted in case of CoDP except that instead of approval of Chairman, approval of members of CoDP shall be obtained.

11 Bid package creation

11.1 Finalisation of Bid Evaluation Criteria (BEC) and floating of tender

11.1.1 Clauses only applicable for Works

11.1.1.1 In case of LSTK works, on receipt of administrative approval and expenditure sanction, the concerned tender processing group comprising of officers from MM, finance and from concerned project shall be formed. This group shall start preparation of the bid document for tendering based on scope of work, technical conditions, project execution methodology (containing key dates and details for tendering and execution of the project), specifications, cost estimates etc. forwarded after due approval from competent authority. Respective chief of engineering services/Level-1 officer shall issue guidelines on the roles and activities of the tender processing group for smooth project execution.

11.1.1.2 Whereas all the formats have their respective importance, however the most important of these is the, Proforma for price schedule, which shall be carefully prepared and scrutinized.

(MM/26/2017 dated 21.06.2017) (MM/30/2018 dated 19.01.2018)
(MM/112/2023 dated 30.11.2023)

11.1.1.3 For tenders handled by Central LSTK Procurement Group/OGEP:

In the case of LSTK/EPC tenders, the technical bid package and the estimates shall be approved by Head Design-OGEP.

For tenders handled by others

In the case of LSTK/EPC tenders, the technical bid package and the estimates shall be approved by sanctioning authority (Full powers vested with L-1)

(MM/10/2016 dated 23.03.2016)
(MM/113/2023 dated 08.12.2023)

11.1.2 Clauses applicable for goods, services and LSTK contracts.

- (MM/117/2023 dated 29.12.2023)*
- 11.1.2.1 The tendering process at the Assets / Basins / Institutes/ Hqrs/CPD should commence with the availability of budget and detailed indent raised by the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) giving specifications and technical BEC (duly approved by Sanctioning Authority as per para 34.1 of this manual considering induction of latest and appropriate technology, competitiveness and lessons/experience of past tenders/contracts) along with cost estimates, prior approval in case of nomination or limited tender and the financial sanctions. The Competent Purchase Authority of the tender (on recommendations of the BEC Formulation Committee) will approve the BEC (excluding Technical BEC to be enclosed with the tender) and other Special Conditions of Contract (excluding those approved by Sanctioning Authority as per para 34.1.1) in the following context:

- a. Competitiveness,
- b. Lessons / experiences of the past tenders / contracts.

- (MM/10/2016 dated 23.03.2016)*
(MM/112/2023 dated 30.11.2023)
- 11.1.2.2 The Competent Purchase Authority will record the reasons for deviating, if any, from the normal tendering procedure spelt out in paras 8.2 and 8.4 of this MM Manual.

Concerned L-1 shall have full powers in this regard

- 11.1.2.3 Various tender clauses pertaining to job requirements/specifications and delivery period/completion schedule etc. should not be restrictive in nature and should be broad based so as to generate competition. Similarly, the BEC should also not be restrictive in nature and should be broad based.
- 11.1.2.4 The requirements which cannot be executed individually by most of the contractors should not be clubbed unless it is necessary to have single point responsibility. In cases where different categories of works, services/purchases which are of similar nature but not of same description/specifications are clubbed in the same tender, suitable provisions should be kept in the BEC for category-wise techno-commercial and price evaluation.
- 11.1.2.5 Wherever samples are required from bidders, the criteria for evaluation of samples will be clearly spelt out in the BEC. The selection of samples should not be on feel basis.

(MM/26/2017 dated 21.06.2017)
(MM/117/2023 dated 29.12.2023)

11.1.2.6 Utmost attention in formulating BEC should be paid so that the ultimate objective of purchasing function, i.e. purchasing the required materials/services as per required specifications, delivery schedule at most competitive possible prices, is met. BECs should be firm / standardized. BEC revision must be done only by exception, based on cogent and transparent justification. BEC in general should have evaluation criteria (Quality – Technical, Commercial [Purely rejection criteria in L-1 method and scoring criteria in QCBS] as well as price) and a clear evaluation methodology for determining the winning bid. In all cases, the Bid Evaluation Criteria (BEC) along with the Matrix will be brought before the Competent Authority for approval as per para 34.1 of this manual. In case, some particular clause is proposed to be modified, then the existing clause and proposed modification along with the reasons for modifying the clause should only be submitted to the CPA while seeking approval of the BEC. Also Work Centers should desist from proposing changes in the general terms and conditions of the tender.

(MM/113/2023 dated 08.12.2023)

11.1.2.7 Where the concerned purchasing centre anticipates that bidders may take some exceptions/deviations to the BEC/specifications and other tender conditions (regarding which a view can be taken by the **BEC Formulation Committee** formulating BEC), pre-bid conference should be held as per provisions Manual and issues sorted with the prospective bidders and if required the bid document (including BEC) be suitably amended and intimated to all bidders well before opening of tenders, so that question- of exceptions/deviations after tender opening does not arise, and no changes are required after tender opening. However no change in BEC is allowed after opening of bids. Whenever any amendment to the BEC is necessitated, it should be ensured that modifications in the BEC are defined in clear, unambiguous and adequate manner.

11.1.2.8 Any proposal for change(s) in BEC should be put up with the following details:

11.1.2.9 Identified problems in existing BECs due to which changes are proposed.

11.1.2.10 Changes in technical specifications due to which BEC is required to be changed.

(MM/112/2023 dated 30.11.2023)

11.1.3 Such cases falling under the power of **CoDP/MCoDP** will be approved by the **Concerned L-1** unless they are in conflict with existing policy/procedure/PMC instructions. However, any proposed provisions, which are in conflict with the existing policy/ procedure/ PMC instructions, will require approval of **MCoDP**.

(MM/38/2018 dated 08.06.2018)

- 11.1.4 CPA shall approve Short-listing of bids for price bid opening including case requiring rejection of bids after price-bid opening. During the evaluation process/clarification process, recommendation for acceptance/ rejection of bidder(s) shall also require the approval of Competent Purchase Authority. Concerned L-1 will have full powers, to approve short-listing of bids for price bid opening including cases requiring rejection of bids after price-bid opening.

(MM/117/2023 dated 29.12.2023)

- 11.1.5 BEC (excluding the standard provisions), once approved by competent authority for a particular tender can be reviewed / modified as a sequel to pre-bid conference. Wherever departure from BEC (excluding the standard provisions) is considered necessary (as a sequel to pre-bid conference), detailed reasons in tabular form are to be given (in the proposal for approval of competent authority as per para 34.1 of this manual) indicating as to why such departure is considered necessary. It will specifically be indicated as to whether ONGC would entail any extra expenditure on account of the proposed changes in BEC and if so, analysis will also need to be given indicating the economic benefit in terms of improved efficiency or otherwise that would accrue to ONGC versus the extra expenditure involved due to modification in BEC. After this no change in BEC will be allowed.

Powers to approve modification / relaxation / departure from approved BEC, as a sequel to pre-bid conference (and not after opening of bids), shall require approval of Competent Authority as per Para 34.1 of this manual, provided, such changes are not in conflict with the existing policy/ procedure/ PMC instructions.

- 11.1.6 While framing of BECs by the work centers in cases where standard BEC is not applicable/available, due care should be taken that BEC being framed by the work center should be absolutely clear in its intent and meaning. Non submission of any information/document by the bidder, which does not materially affect the bidder's capability and resources to successfully perform the contract, should not be included in the rejection criteria of the BEC.
- 11.1.7 As far as possible, for procurement of electronic products under various programmes/schemes including those for e-Governance, subscription to various programmes which do not have a registry in India like EPEAT, GREENPEACE etc., should not be included as essential eligibility criterion for domestic procurement.
- 11.1.8 In order to reduce administrative costs and for simplifying the procurement process, in the tenders for purchase of goods and services, bidders should be asked to quote for the full quantity of goods or services for each of the tendered item or category or group wherein the item or category or groups is being evaluated separately.

Bidders can however, be allowed to quote for part quantity of the tendered item/ category/ group, if this condition is incorporated in the tender document with specific approval from the CPA giving reasons thereof for the need for doing so. Further, if the items are critical and it is necessary to have more than one source, then specific provisions for splitting the supply shall be kept in BEC as brought out at para 14.2.5 In case the bidders are allowed to quote for part quantity, the bidders can submit EMD/ Bid Security according to the quantity offered (not exceeding the EMD / Bid Bond / Bid Security specified for entire tender). In such event, the amount of EMD/Bid Bond for part quantity must be indicated in Bid Evaluation Criteria.

11.2 Life cycle costing

11.2.1 Evaluation of proposals for capital equipments based on life cycle costs will consider costs in acquisition, operations and decommissioning.

11.2.2 Applicability: Life cycle costing method of evaluation of proposals is suitable for long life cycle equipments with operations and decommissioning costs being a significant proportion of life cycle costs. Some examples of such items are Turbines, motors, Compressors. Generators etc.

11.2.3 Responsibility: Category managers (if present) will create the life cycle cost model for equipments. External consultants could also be used for one time creation of life cycle cost model for high spend capital equipment where category managers are not present. The model shall be vetted by Finance.

11.2.4 Life cycle costing helps in identification of most economic proposal and also consider high follow-up costs that might be involved. However, it will require additional time and data for evaluation.

11.2.5 Determination of life cycle costs would be done based on three time-related phases:

11.2.6 Acquisition:

Typical costs to be considered in acquisition are as follows:

- i. Landed cost inclusive of purchase price, duties and taxes, transportation costs
- ii. Commissioning cost (if variable between different equipment proposals)
- iii. Infrastructure cost (if variable between different equipment proposals)

11.2.7 Operation:

Typical costs to be considered in operations are as follows:

- i. Production cost inclusive of raw materials, labor, utilization
- ii. Maintenance costs including planned and unplanned

Indirect costs including downtime costs from planned maintenance and failure will also be considered. Also, any routine training costs will be considered.

11.2.8 Decommissioning:

Typical costs to be considered in this phase are as follows:

- i. Deconstruction
- ii. Recycling/Disposal
- iii. Salvage value (net revenue)

11.2.8.1 While acquisition costs are easier to calculate, data needs to be captured on operation/decommissioning costs involved for all types of makes for different capital equipments so we have a detailed internal database for the same. The indentors will be expected to feed in data in predetermined format (finalized based on life cycle cost model chosen) and on a periodic basis.

11.2.8.2 Award of contract will be based on the lowest life cycle cost and will preferably using L-1 selection if data on all relevant costs are available from internal database. QCBS can be used if proxies have to be used for certain key costs for which data is not directly available from internal database.

If a new bidder submits a bid and data from that bidder is not available in the internal database, then bidder will be asked to provide relevant data and evaluation will be done for the bidder, basis provided data. However, in case such bidder becomes the lowest Life cycle cost bidder, only 10% of the tendered quantity shall be awarded to the bidder. Rest of the quantity will be awarded to the lowest life cycle cost among bidders whose evaluation has been done basis past data available with ONGC.

Relevant provisions should be suitably incorporated in the tender document to ensure transparency to bidders.

11.2.8.3 Life cycle costs can also be used to determine the right contracting strategy where required to enter into annual maintenance contracts or rate contracts for spares to allow evaluation of proposals on actual costs rather than past/projected data from vendors or internal database.

11.2.8.4 Evaluation on life cycle cost basis should clearly laid in the bid evaluation criteria to ensure transparency to bidders except in cases where optimization of life cycle cost is achieved purely through contracting strategy.

11.3 Quality and Cost based selection (QCBS)

(MM/36/2018 dated 28.5.2018) (MM/46/2019 dated 18.01.2019)

Applicable for procurement of following critical nature of services which are characterized by high degree of technical influence and high value impact and where it is justifiable to pay appropriately higher price for higher quality.

Sl.	Type of Services
(i)	Hiring of consultancy services for EPCM/PMC services (Engineering Procurement Construction Management Services / Project Management Contract)
(ii)	Hiring of Creative Advertising Agencies
(iii)	Hiring of Architectural firms
(iv)	Hiring of Attornies (Qualified experienced professionals to render advice / service in business or legal matters)
(v)	Hiring of Trainers / Faculty (Professional/academicians to impart training and/or deliver lectures on subjects of specialized nature)
(vi)	Hiring of Management Consultants
(vii)	<u>Hiring of services for Facility Management*</u> : (a) For Green Buildings (b) For Conventional Buildings
(viii)	Hiring of services for specialized consulting Services
(ix)	Hiring of services for Event Management Agencies (Planning and executing large-scale company meetings, special events, sporting events, reunions etc.)
(x)	Hiring of services for Integrated security services (Specialized integrated services involving Access Control, Fire Life-Safety Systems, Alarm Management, Photo ID, CCTV management, Physical Security, Video Management, Command and Control systems etc).

*Details of services which falls under the ambit of Facility Management have been defined as under:

I. List of services to be covered under the ambit of Single Facility Management on unified basis:

- (a) Single Facility Management Services, to be hired through QCBS methodology, shall cover all general day-to-day works related with Housekeeping, Horticulture, Pest Control, Civil and Electrical Maintenance and General Office Management Services (*wherever required*), as below:

(i) Non- Technical: All day-to-day requirement for upkeep and maintenance of facilities - both residential and non-residential	Housekeeping, Horticulture, Pest & Rodent Control Waste disposal/management as per requirement
	General Office work as per requirement of the work centre
	Reception and Dak
	Documentation/binding
	Photocopying/Scanning
	Packing/Loading/Unloading
	(ii) Technical
	Civil Maintenance
	Water supply and sewage system
	Electrical Maintenance
	Operation of Lifts, DG Sets, Substation
	R & M of Cooling Appliances

Note: The services which are to be combined into a Single Facility Management Contract, shall be decided by the workcentre/location.

- (b) The separate Single Facility Management Contract for Hospital services shall cover the following :

Housekeeping
Patients Hygiene and care
Catering for Indoor Patient
Operation & maintenance of Laundry
O & M of Medical Gas Plant
Hospital Management Services

- II. Contracts for Housekeeping and Catering services of Guest Houses and Office Canteen Services shall also be awarded following QCBS methodology, after expiry of the existing contracts.
- III. The contracts awarded on OEM/OES basis for technical jobs/services shall continue as per the existing system.

Separate approval would be required to be taken in case of non-implementation of QCBS for the specified services.

- 11.3.1** QCBS uses a competitive process among firms that takes into account the quality and the cost of the proposal in the selection of the successful firm

(MM/57/2020 dated 01.05.2020)

- 11.3.2 Considering the technical influence and value impact of the above services proposed to be procured, relative Weightage (Technical: Price) for quality and cost shall be proposed by Indenting department.

The degree of technical influence shall be determined by Indenting department based on various parameters. An indicative list of such parameters is provided hereunder:

i. Importance of Technical competence

- Certifications
- Product/service conformance to norms/specs
- Expected life time (if applicable)
- Importance of experience of firm or key personnel (as applicable)

ii. Importance of Service levels

- Timely delivery
- Lead time
- Warranty and support experience
- Support coverage

iii. Degree of differentiation of offerings

- Technological similarity of offerings
- Functional Substitutability of competing offerings

Value impact of tender will also be determined by Indenting department.

QCBS methodology shall be implemented while awarding contracts for procurement/hiring of all E&P services in future. Similar QCBS matrix be firmed up for charter hiring of drilling rigs and other E&P services. The QCBS matrix be firmed up by the working group for factoring in the practices being followed by ONGC Videsh and other PSUs in awarding contracts through QCBS methodology.

(MM/64/2021 dated 24.03.2021)

(MM/112/2023 dated 30.11.2023)

- 11.3.3 Considering the technical influence and value impact of the service proposed to be procured, for applicability of QCBS and relative Weightage (Technical: Price) for quality and cost to be adopted, Indentor shall obtain the approval of a Committee of Directors (CoD) comprising of Director (Finance), Director-I/c MM

and Director concerned. The CoD shall be fully empowered to modify and approve Technical: Price weightage.

The weightage of respective technical parameters (QCBS matrix) alongwith relative Weightage (Technical: Price) for quality and cost shall be proposed by the Working Group of Indenting Section at the work center duly recommended by the concerned Key Executive and put-up by CPO for the approval of CoD.

However, QCBS matrix and relative Weightage (Technical: Price) as approved earlier by COD for a case for any work centre may be adopted for similar cases across different work centres with approval of L-I of concerned work center without requiring CoD approval again. In order to facilitate the same, QCBS matrix earlier approved by CoD for a given case along with scope of work shall be uploaded by PMC on MM intranet website. The work center may refer to the same to ascertain if already approved matrix is available for similar services.

Wherever, work center obtains the approval of CoD for QCBS matrix and relative Weightage (Technical: Price), copy of the same along with approved matrix and Scope of Work shall be immediately forwarded by the work center to PMC for uploading the same on MM website.

- 11.3.4 Bid package: The evaluation criteria based on the decision of competent authority on relative Weightage of cost and quality along with criteria and weightage of quality related parameters need to be clearly mentioned in the BEC.

(MM/113/2023 dated 08.12.2023)

- 11.3.5 Tender evaluation: The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluation shall be carried out in full conformity with the provisions of the tender documents.

a. Techno-commercial evaluation to be carried out by respective indenting officer and team including MM and finance for the received bids. All key criteria on quality are objectively scored and weighted as per Weightage described in the BEC of the bid.

MM Department/Tender Processing Group will seek clarifications from bidders at this stage if necessary, based on the approval of Competent Authority.

b. Cost evaluation to be carried out as done under two bid open tenders and firms are given scores as per guidance provided in BEC with maximum score being provided to lowest bidder (L-1).

Commercial Score = $(100 * L-1) / \text{Bidder's Price}$

- 11.3.6 The contract shall be awarded to the vendor with the highest combined score calculated using the following formula.

Combined Score = (Quality Score assigned to bidder x Technical weight %) +
(Commercial Score assigned to bidder x Commercial weight %)

(MM/64/2021 dated 24.03.2021)

11.3.7 a.) Rate reasonability:

In order to ascertain a reasonable price commensurate with the quality of the product quoted, following aspects shall be taken into consideration, while doing due diligence on rates quoted by B1 bidder:

- (i) Whether prices quoted by the B-1 bidder are substantially higher than LPR/Cost estimate:

- (a) Applicable where QCBS parameters, marking scheme and Technical:Price weightage in instant tender and LPR tender are same

Wherever feasible, the combined score of B1 bidder (which shall be the original B1 bidder of LPR tender and not a bidder who has got the award due to matching of score/ target price, if any) of last tender being considered as LPR and all the TA/CA bidders including B1 bidder of instant tender may be re-calculated considering QCBS parameters, marking scheme and Technical: Price weightage of current tender. If the re-worked combined score of B1 bidder of LPR tender is higher than re-worked combined score of original B1 bidder of the tender under evaluation, then target price of original B1 bidder of the present tender shall be worked out so that its reworked Combined Score is equal to the reworked Combined Score of B1 bidder of the LPR tender. Such Target Price may be considered as the equivalent of LPR for comparison with present tender price of original B1 bidder for examining its reasonability.

- b) Applicable where QCBS parameters of the LPR tender are better than the instant tender with / without same marking scheme and Technical :Price weightage:

Wherever feasible, it would first need to be ascertained whether QCBS parameters of LPR tender were overall better than the tender under evaluation. Generally prices of better QCBS product services are expected to be higher. However, if the price of B1 bidder in a tender is observed to be substantially higher than the LPR tender invited with better QCBS parameter, price negotiation may be undertaken with the B-1 bidder to arrive at a reasonable price with proper justification taking into account time period elapsed since LPR contract, market dynamics.

- (ii) In the event of prices quoted by B-1 bidder are found to be substantially higher than the equivalent LPR worked out as per (i) above (if applicable), whether the current Supply – Demand scenario is materially different from that prevailing at time of LPR.
 - (iii) Whether there is general perception of prices having gone down globally after the last contract was awarded or after submission of bid against the tender under

evaluation and the prices are believed to remain at lower level for quite some time.

11.3.8 Working out Target Price for bidders B2, B3 etc. so as to match their combined score with combined score of B1 in cases where quantity is splittable/dividable:

In case the bidder with highest combined score (referred as B1 below) cannot meet the full quantity of the tender, the bidder with the next highest combined score (or the bidder with highest technical score among the remaining bidders, as specified in the tender document) (referred as B2, B3 etc. below) will be asked to match the combined score of the bidder with highest score as per the following concept:

Combined Score of a bidder is summation of their weighted Technical Score (i.e. Technical Score*Technical weightage) and weighted Commercial Score (i.e. Commercial Score*Commercial weightage). Technical Score being dependent on technical parameters would remain fixed / unchanged for a bidder. Commercial Score of a bidder is being derived by the formula i.e. $100 * \text{Lowest of the prices of techno-commercially acceptable bidders} / \text{Price quoted by such bidder}$, therefore, for matching combined score of B1 bidder, the bidders B2, B3 etc. would have to increase their Commercial Score by reducing their price.

Target Price for bidders B2, B3 etc. so as to match their combined score with combined score of B1 would depend upon different situations as brought out below:

(A) Where price negotiation has not been conducted with B1 bidder

Target Price for bidder B2, B3 etc. = $100 * \text{Lowest of the prices of techno-commercially acceptable bidders} / [(\text{Combined Score of B1} - (\text{Technical Score of B2, B3 etc.} * \text{Technical weightage \%})) (\text{Divided by}) (\text{Commercial Weightage \%})]$

(B) Where price negotiation is undertaken with B1 bidder

Due to reduction in price by B1 bidder, if any, as a result of Price negotiation the Commercial Score/Combined Score of B1 would require to be reworked (which would be higher than their earlier commercial score/combined score).

Revised Combined Score of B1 = $(\text{Technical Score assigned to B1} * \text{Technical weightage \%}) + [(100 * \text{Lowest of the prices of techno-commercially acceptable bidders or post negotiation price offered by B1 bidder, whichever is lower} * \text{Commercial weightage \%}) / \text{Post negotiation Price offered by B1 bidder}]$.

The bidders B2, B3 etc. would, by reducing their prices, be needed to match their Combined score with that of the revised Combined Score of B1.

Target Price for bidder B2, B3 etc. = $(100 * \text{Lowest of the prices of techno-commercially acceptable bidders or post negotiation price offered by B1 bidder, whichever is lower}) / [(\text{Revised Combined Score of B1} - \text{Technical Score of B2, B3 etc.} * \text{Technical weightage \%}) (\text{Divided by}) \text{Commercial Weightage \%}]$

The bidders will be invited for score matching by way of reducing prices in order of original ranking (i.e. ranking before holding price negotiation with B1 bidder) as per process prescribed at para 14.2.6 till requirement of entire tender quantity is met (thereafter, remaining bidders will not be considered). Contract on B1 and other bidders will be awarded accordingly.

11.3.9 In the QCBS system, as the evaluation of bids shall be based on combined score (Technical parameters and prices), purchase preference policies (like Policy for MSEs and PPLC etc.) shall not be applicable.

11.4 Least Cost Selection (LCS) with minimum qualification score.

Applicable for services which are characterized by high degree of technical influence and low value impact. Value impact of tender will be determined by Indenting department. In case of projects, calculations done for feasibility report can be leveraged to determine the same.

- 11.4.1 Under Least Cost Selection with minimum qualification score, the lowest proposal with lowest cost among those that passed the minimum technical score shall be considered for award.
- 11.4.2 Considering the technical influence of the service proposed to be procured, marks for Technical Weightage for shortlisting of bids shall be assigned.
- 11.4.3 Degree of technical influence shall be determined by Indentor as per provision under 11.3.2 above
- 11.4.4 Approval for implementing LCS with minimum qualification marks for a category of items, technical weightage, matrix and template for evaluation shall be decided and approved as per provisions under para 11.3.3 above.
- 11.4.5 Bid package: The evaluation criteria based on Concerned Weightage of quality related parameters need to be clearly mentioned in the BEC.

It shall be specified in the tender conditions that ONGC shall select bidders scoring certain pre-defined minimum technical score for opening of price bids. The minimum quality score required for selection of bid for price bid opening shall be clearly indicated in the BEC.

- 11.4.6 The Technical bids shall be evaluated on the basis of their responsiveness and point system specified in the Data Sheet supplied with the tender document. Each responsive offer will be given a technical score. An offer shall be rejected at this stage if it is not found responsive or if it fails to achieve the minimum technical score indicated in the Data Sheet provided along with the tender document.
- 11.4.7 Price evaluation to be carried out as per BEC.
- 11.4.8 The contract shall be awarded to the L-1 bidder based on the price evaluation of the bids.
- 11.4.9 Rate reasonability: Rate reasonability shall be determined as per provisions on ascertaining the reasonability of rates.
- 11.5 QCBS/LCS with minimum qualification marks shall not be adopted for procurement of goods (except for premium bits which shall be procured as per para 28 of IMMM) and LSTK contracts.

12 Bid invitation to bid receipt

12.1 Invitation of tender

12.1.1 Coordination and bulking of demands for purpose of inviting tenders:

When dealing with indents, due attention should be paid to the combination and bulking of demands which will result in economy in purchase. Demands for materials received simultaneously from different indentors should be combined as far as possible while inviting tenders. Due regard should, however, be paid to delivery instructions given by the indentors. Demands which cannot be suitably combined with others for this or any other reasons should be dealt with separately.

12.2 Enquiry register (Not applicable for e-procurement and open tender)

12.2.1 Every individual section dealing with purchases will maintain an enquiry register. A separate page for each enquiry will be allotted in that register.

12.2.2 In case of limited enquiries, the name of the firms to whom the enquiries will be addressed will be entered in that register. This will be signed by the concerned officer sending the enquiry.

(MM/10/2016 dated 23.03.2016)

12.3 Creation of RFQ and tender intimation to be sent to prospective bidders

12.3.1.1 Tender intimations are sent to prospective bidders as soon as the information is received that the tender has been advertised. Officer not below E-1 are empowered for issue of tender documents (signing of RFQ). As far as possible RFQ should be created through the system prior to issuance of tender document, before bid closing date and time. In situations where it is not possible to do so, approval of I/c MM for cases dealt by MM and concerned L-II for cases dealt by other than MM with valid and justified reasons shall be obtained.

(MM/31/2018 dated 13.03.2018)

12.4 ~~Submission of tenders for publication in press~~ - Deleted -

12.4.1 - Deleted -

12.5 Time to be allowed to tenderers to quote

(MM/48/2019 dated 07.02.2019)

12.5.1 Save in special cases which should be seen and approved by concerned Level-1 executive, the following period will be allowed to bidders for submitting their bids in Open Tenders:

Description of Activity	Tenders without Pre-bid conference	Tenders with pre bid conference
(i) Receipt of queries from bidders	<u>7 days</u>
(ii) Scrutinizing the queries and holding pre bid conference	<u>5 days</u>
(iii) Approval of Pre-bid minutes and issue of the same	<u>7 days</u>
(iv) Submission of offers and opening of techno-commercial offers(TBO)	<u>21 days</u>	<u>21 days</u>
TOTAL	<u>21 days</u>	<u>40 days</u>

Note:

- (i) In LSTK contracts, an additional time of 30 days for “Process Platforms”/“GGS”/“CTF works”/“GCP”/“ETP”/“WTP” and 15 days for all other LSTK projects including “Well Platforms”/“Pipe Lines”/“Fire fighting”/other modification jobs shall be applicable for the activity iii above

(MM/31/2018 dated 13.03.2018)

- 12.5.2** The above period is to be reckoned from the scheduled start date for participation (RFx Start Date). The time to be allowed as per para 12.5.1 should be ensured from such start date.

(MM/26/2017 dated 21.06.2017)

- 12.5.3** Save in special cases which should be seen and approved by concerned Level-1 executive, for limited tenders, a period of 21 days shall be given to the bidders for submission of offers, from the date of issue of tender enquiries.

12.6 Validity period

(MM/112/2023 dated 30.11.2023)

- 12.6.1** The bidders will be asked to keep their offers open as under:

- a. Limited tenders upto Rs.10 lakhs – 60 days
- b. Non MCoDP cases above Rs.10 lakhs – 90 days
- c. MCoDP level cases – 120 days

(MM/109/2023 dated 30.10.2023)

Note:

For any particular case, if longer bid validity period is considered necessary, than the validity period prescribed above, then the longer bid validity period can also be specified in the tender with the approval of CPA (**concerned L-1 shall have full powers**), but due justifications for such longer bid validity required must be given while obtaining the approval. However, after specifying a reasonable time for bid validity period, the same must be adhered to.

- 12.6.2** It should be specified in all tender notices under Single Bid System that offers with lesser than the required validity will be straightway ignored. However, under Two Bid System no offer should be rejected on account of shorter validity. In Two Bid System, as soon as technical evaluation is completed, reference should be made to all bidders except those which are technically rejected, for furnishing validity, if required at that stage.

12.7 Invitation to Bid

(MM/26/2017 dated 21.06.2017)

12.7.1 In regard to Invitation to bid, following points are to be kept in view:-

- a. The Invitation to bid will clearly indicate the place, date and time by which tenders will be received and the place, date and the time at which these will be opened. It will also provide a brief description of the tender along with details of tender number, and contract period.
- b. The time and venue of the pre-bid conference (if any envisaged) also must be clearly specified in the Invitation to Bid. The last date of receipt of clarifications for pre-bid conference will also be mentioned.
- c. Invitation to bid should include an instruction that bids sent by post or courier must be sent under registered cover so as to reach the place well before the closing time and date.
- d. All bids received by the notified closing date and time whether through the post or through the tender box, will be registered under the signature of the Tender Receiving Officer.
- e. Invitation to bid may be transmitted by fax or e-mail also, wherever required.

- f. Invitation to bid will indicate the date and time of the commencement of the sale of the tender.
- g. Invitation to bid will mention that bidders can download the tender from ONGC's tender website to participate in the tenders
- h. Invitation to bid will clearly mention the name and designation of the CPA, Tender receiving officer and leave reserve officer.
- i. In case of Invitation to bid pertaining to e-procurement tender it shall be mentioned that all the bidders have access to online help document which is available on login. This help document should be used by them for participating in e-procurement tenders
- (MM/50/2019 dated 04.07.2019)
- j. In NIT, the EMD amount shall be indicated in Indian Rupee as well as US Dollars (USD).

(MM/26/2017 dated 21.06.2017)

- 12.7.2 The tender inviting sections shall forward the Invitation to bid both in soft and hard copy to the concerned Corporate Communication. The Invitation to Bid must contain the official e-mail address of the tender inviting authority (dealing officer).
- 12.7.3. The Invitation to bid shall be countersigned by the controlling officer of the tender inviting authority (dealing officer) to ensure that the Invitation to Bids is in order and to avoid any corrections after its appearance on the web.
- 12.7.4 The complete set of bid documents shall be uploaded on tenders.ongc.co.in well in advance of the specified date for commencement of tender sale specified in NIT. The tender inviting authority (dealing officer) will be responsible for ensuring the correctness of the content of the Invitation to Bid uploaded on the site.

~~(MM/04/2015 dated 28.04.2015)~~

(MM/10/2016 dated 23.03.2016) (MM/26/2017 dated 21.06.2017)

- 12.7.5 In case of physical tender (not published in e-portal), bidders will have to download the tender document within the time specified for tender closing/opening date and use the same for participating in the tender.

12.8 Number of copies of offers to be called from bidders(Not applicable for e-procurement)

- 12.8.1 Copies of bids will be called as under:

- a. Where in-house evaluation is involved - Copies in duplicate

b. Where bid evaluation is done by outside agency - Five Copies

12.9 Variation in quantity after invitation of tender

12.9.1 Provisions will be made in all tender conditions for procurement of goods/services that ONGC is entitled to increase or decrease the quantities amongst any / all the items/services of the tender by not more than 20% (twenty percent). Any variations upto +/- 20% of the tendered quantity would be permissible before price bid opening.

12.9.2 In case there is an increase in the quantity beyond 20%, it would be essential to invite fresh tenders covering the total revised quantity so as to get the advantage of bulk discount in prices.

(MM/64/2021 dated 24.03.2021)

12.9.3 In case the reduction in quantities is more than 20%, confirmation from L-1 bidder (B-1 bidder in case of QCBS tenders) would be obtained to supply at the quoted rates. On getting confirmation, order for the reduced quantity will be placed. If L-1 bidder (B-1 bidder in case of QCBS tenders) does not agree, then tender would be re-invited.

12.9.4 ONGC may increase or decrease the quantities against any/all the items of the tender by not more than 20% (twenty percent) while placing the order of OEM spares.

12.9.5 In respect of centrally procured items, all Assets / Basins should properly plan, prepare well-wise requirement and based on latest stock position (in hand and pipeline), firm requirement by scheduling in a manner to avoid overstocking, should be indicated to Corporate-MM for procurement. Revision in requirement of items/quantities, if any for valid reasons, should be intimated to the Corporate-MM promptly prior to opening of price bids. Corporate-MM should ascertain that revision of quantities, if any, by Assets/Basins and if required carry out the exercise of variation in tendered quantities considering the latest stock position prior to opening of price bids

(MM/50/2019 dated 04.07.2019)

12.9.6 EMD amount once fixed in NIT, shall not be modified on account of variation in quantity if any, after invitation of tender.

12.10 Sale of bidding documents to firms with whom business has been banned / suspended

12.10.1 It may be specified in INVITATION TO BID that firm(s) to whom no further business is to be given or dealings with whom have been banned / suspended are not eligible to participate in the tender and any bid received from such firm(s) shall not be considered and will be returned un-opened to the concerned firm(s) within a period of seven days from the due date of opening of tenders.

12.11 Tender fee

(MM/26/2017 dated 21.06.2017)

12.11.1 No tender fee shall be charged from the bidders for participating in any kind of tender. The bidder should download the document from the website for participating.

12.11.2 – Deleted -

12.11.3 – Deleted -

12.11.4 – Deleted –

12.12 Offers by agents/ consultants/ retainers/ representative/ associate of foreign principals.

12.12.1 Offers made by agents/ consultants/ retainers/ representative/ associate of foreign principals will be outright rejected.

12.13 – Deleted -

12.14 – Deleted -

12.15 – Deleted -

12.16 Tender register to be maintained at receipt of bids

12.16.1 The following register should be maintained and presented by the Section concerned at the time of opening of bid. Both the Officers opening the tenders will sign in column 4 and 5 of the above register against the names of firms whose bids have been received.

Signature of Firm's representative (if by hand)	Sl. No. Allotted to each tender	No. samples received along with offer	Signature of Tender Opening Officers		Special Remarks of Tender Opening Officer, if any	Signature of Firm's representative(s) who attended tender opening
			Asstt. MM Officer/MM Officer	FAO/Asst. FAO		
1	2	3	4	5	6	7

Total No. of

a) Envelopes received for opening from Tender Receiving Officer

- b) Samples received from Tender Receiving Officer.
- c) Samples received along with offers.

Total No. of:

- a) Tenders handed over to the Asstt./Officer concerned
- b) Samples handed over to the Asstt./Officer concerned
- c) Letter of Authority of the firm(s).

- 1) Tender Opening Officers' Signature
- 2) Signature of receiving Asstt./Officer

12.17 Pre-bid-conference (Wherever applicable)

(MM/35/2018 dated 25.05.2018)

(MM/109/2023 dated 30.10.2023)

(MM/113/2023 dated 08.12.2023)

Pre-bid conference shall not be held in each and every case. However, Work Center may hold pre-bid conference in any case based on the need/justification for the same with the prior approval of **concerned Level-1 officer**.

- 12.17.1** Proposal for holding pre-bid conference should be initiated preferably by the Indentor at the indenting stage. However, if a need for holding pre-bid conference is felt by the **BEC Formulation Committee** in its meeting held before invitation of the tender, then **BEC Formulation Committee** can also propose for holding of the pre-bid conference.

Depending on the complexity of the case, the maximum number of persons that would be permitted per bidder for pre-bid conference should also be decided by the work centre at the time of taking a call on holding of pre-bid conference against the tender and the limit so fixed for participation in the pre-bid conference should be indicated upfront in the bidding documents.

- 12.17.2** Wherever it is decided to hold pre-bid conference, in Invitation to Bid, bidders should be advised to download the tender documents well in advance prior to the pre-bid conference date, providing sufficient time for response. The bidders shall submit their queries within prescribed date as per conditions stipulated in tender document attending pre bid conference shall not be pre-requisite for submitting the bid.

12.17.3 The date and venue of pre-bid conference should be clearly indicated in the Invitation to Bid and the bidding document. In the Invitation to Bid and bidding document as well as during the pre-bid conference, bidders should be advised that ONGC expects the bidders to comply with the tender specifications/conditions which have been frozen after pre-bid conference, and hence non-conforming bids will be rejected straightaway. The indenting officer from concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) (who has approved the specifications) is to chair pre-bid conference(s) with competent representative from concerned technical department (like E&C) and BEC Formulation Committee. If felt desirable, a legal officer may also be associated. The bidders meeting following requirement shall only be considered for attending the pre-bid conference:

- a. The bidders who are in the business of providing similar Services/Goods as per tender requirement only shall be allowed to participate in Pre-Bid conference.

Accordingly, an undertaking in the prescribed format as per Appendix-PBC provided with the tender document shall be submitted by the bidder alongwith Pre Bid queries within prescribed date. Failing which the bidder shall not be allowed to attend pre-bid conference.

- b. Bidders should depute their employees (preferably) who are competent to present their queries in the Pre-Bid Conference.
- c. Only those bidders who have submitted queries within prescribed date shall be allowed to attend PBC.
- d. While submitting Pre Bid queries, prospective bidder(s) shall be required to provide details (Name, Designation, mobile no. etc) of its representative, who will attend PBC and those person(s) only will be permitted to attend the pre-bid conference.
- e. In tenders for LSTK Projects, employees (preferably) of proposed consortium members and / or sub-contractors and / or vendors who are competent to present their queries in the pre bid conference shall be allowed to participate in the pre-bid conference along with the bidder subject to prior submission of details to ONGC as stipulated above.

Bidders requesting to attend pre-bid conference without fulfilling above requirement shall be informed their ineligibility to attend pre-bid conference with the approval of the officer from the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases), who has approved the specifications.

It shall be categorically and explicitly mentioned in the tender document that pre-bid queries shall be restricted to Technical specifications, scope of

work, Technical BEC, special conditions of contract and mobilization/ delivery/ completion period only and that no queries whatsoever shall be entertained on provisions of GCC and other standard provisions/ proforma/ format of the tender document.

(MM/113/2023 dated 08.12.2023)

12.17.4 Technical issues raised by the prospective bidders during the pre-bid conference will be examined in detail by the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases). If any modification in Technical specifications/ Scope of Work/ Technical BEC is required, the same shall be dealt by concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) and conveyed to MM Department at CPD/concerned Work Center. Other issues raised by the prospective bidders during pre-bid conference will be examined by BEC Formulation Committee. If due to the points/doubts raised by the prospective bidders, tender specifications or any specific term(s), condition(s) which is not a part of "Standard Terms and Conditions of the Tender" needs to be modified, then the same will be considered for modification. However, if there are any points/issues, which have been raised by prospective bidders during the pre-bid conference but have not been resolved, then a second pre-bid conference will be held which will be attended by BEC Formulation Committee and concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases). In this pre-bid conference, BEC Formulation Committee and concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) would again try to clarify the doubts raised by the prospective bidders, with a view to ensure adequate participation.

All decisions to conduct second pre-bid conference needs to be approved by concerned L-1.

(MM/50/2019 dated 04.07.2019)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

(MM/117/2023 dated 29.12.2023)

12.17.5 MM department/Tender Processing Group in association with the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) will prepare minutes of the pre-bid conference and obtain approval of the officer who chaired the pre-bid conference. Thereafter, in case no modifications are required in the BEC/specifications/scope of work/tender conditions, the bidder would be asked to submit their bids on due date and time. However, if, as a sequel to the pre-bid conference, modifications are required in the BEC and other tender conditions (excluding commercial conditions standardised by PMC), Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) will forward duly approved modified Technical specifications/ Scope of Work/ Technical BEC/Technical part of Special conditions of contract MM Department at CPD/concerned Work Center for incorporating in tender. BEC Formulation Committee shall examine other issues and submit its recommendations for modification in BEC and tender conditions (other than as mentioned above) for approval of the competent authority as defined under clause 34.1 by providing detailed justification for agreeing to such modification(s), provided, such changes are not in conflict with the existing policy/ procedure/ PMC instructions. However, in case of conflict requiring changes to existing policy/procedure/PMC instructions in all cases will require MCoDP approval. However, in case of change of specifications/scope of work as a sequel to pre-bid conference, necessary approval shall be obtained as per clause 34.1.

12.17.6 After obtaining such approval, these modifications should be made and communicated (through fastest mode of communication like fax or mail) prior to submission of bids with sufficient time to all the bidders to submit their bids; no change will be allowed thereafter. Whenever any amendment to the BEC/tender conditions is necessitated, it should be ensured that modifications in the BEC/tender conditions are defined in clear, unambiguous and adequate manner. The specifications/scope of work, tender terms and conditions are frozen after issuance of pre-bid minutes and hence thereafter no correspondence should be made with the bidders. However, due to compelling reasons, if it becomes unavoidable to enter into correspondence with the bidders even after issuance of pre-bid minutes, then the same can be done with the approval of the concerned Level-1 executive, giving detailed justification for the same. Further, such correspondence should be limited to clarifications only, without modifying any of the tender provisions. It should also be ensured that while issuing such clarifications, the same should be forwarded to all the bidders who have bought the tender documents

(MM/10/2016 dated 23.03.2016)

(MM/109/2023 dated 30.10.2023)

(MM/113/2023 dated 08.12.2023)

12.17.7 If as a sequel to the pre-bid conference or otherwise, if an important tender condition regarding scope of work/specifications/delivery period/mobilization period/completion period requires major modification then **BEC Formulation Committee** should deliberate the case and submit their recommendations to CPA(concerned **L-1** shall have full powers)for extension of Bid submission/opening date. In such situation, pre-bid conference would not be held again.

(MM/117/2023 dated 29.12.2023)

12.17.8 Whenever any changes in the Scope of Work or any other tender conditions are necessitated as a sequel to pre-bid conference or otherwise, financial implication of the same should be carefully examined, deliberated and properly recorded by Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) and forwarded to CPD/Work Centre MM/Tender Processing Group. Further, the cost implication of such changes should be taken into consideration for evaluation and ascertaining the reasonability of rates. In case variation is more than +/- 20% and where BEC is affected by cost estimate (example : experience criteria is linked to cost estimate), the BEC may also be suitably modified.

(MM/26/2017 dated 21.06.2017)

(MM/113/2023 dated 08.12.2023)

12.17.9 In cases where pre-bid conference is not held, provisions shall be incorporated in the NIT/bid document that bidders can submit relevant queries to the tender inviting office within 10 days from the date of publication of NIT in case of open tenders or issuance of bid document in case of Limited Tenders.

Queries on technical issues, if any, received shall be examined by concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) and BEC Formulation Committee for other queries, for issuing replies to the bidder within 3 days.

When purchase does not fall under the purview of BEC Formulation Committee, dealing officer of MM in consultation with minimum E-2 level executives of Indentor and Finance shall examine the queries and put up the proposals for approval of CPA. For cases dealt by departments other than MM, queries shall be examined by dealing officer in Indenting Section in consultation with minimum E-2 level executive of finance.

12.18 Receipt of tenders

12.18.1 The tenders will be received as under:

- i. Directly being put in Tender Box by bidders.
- ii. Received by ordinary / regd. dak by Central Diary Section or Tender receiving officer

- iii. Handed over personally to Tender receiving officer or Central Diary Section by bidder(s) it being it not possible for them to put in tender box due to volume of the documents.
- iv. Through e-portal as described in e-procurement (clause 27)

MM/88/2023 dated 25.05.2023

12.18.2 The Receipt and Despatch (Central Diary) Section will maintain separate register for the bids received by them through post office / handed over to them personally by tenderers due to their voluminous size. Tender samples which cannot be dropped in Tender Box due to their voluminous size will also be received by In charge Diary Section or Tender receiving officer from the bidders. All Tenders and tender samples received by Diary Section will be recorded in this register. The Diary Section will put date and time of the receipt on each envelope of tender / sample and hand over the same on day to day basis to the Tender Receiving Officer before **15.00 hrs.**(1600 hrs in Mumbai and Uran)(after obtaining his initials in acknowledgement of having received the same **(Same closing time shall be exercised in e-tenders also)**). In no circumstances the cover of tenders will be opened or destroyed by Diary Section. All late tenders on receipt will be handed over to the Section concerned on day to day basis for necessary action laid down as below:

12.18.2.1 All bids received after the notified time and date of closing of tenders will be treated as late tenders.

12.18.2.2 Unsolicited alterations or modifications of tenders received after the notified time and date of closing of the tenders shall not be entertained.

(MM/10/2016 dated 23.03.2016)

12.18.2.3 Late tenders, as defined in **12.18.2.1** above, shall not be considered. Such late tenders, after recording with the concerned Materials Management officer, will be returned un-opened to the concerned bidder(s) within a period of seven days from the due date of opening of tenders

12.18.2.4 Unsolicited offers will not be considered.

12.19 Tender box

12.19.1 A Tender Box with suitable provision on its top for dropping tenders in it will be placed in Tender Opening Room / Office verandah.

12.19.2 The Tender Box will always be kept locked and sealed. Keys of Tender Box will be under the custody of Tender Receiving Officer.

12.20 Nomination of tender receiving / opening officer(s)

- 12.20.1 An Officer of Materials Management/Tender processing group not below E-0 level will be nominated for receipt of tenders each month. In addition, one officer not below E-0 level each from Materials Management and Finance and Accounts Depts. will also be nominated for opening of tenders each month. Arrangements will also be made for nominating officers not below E-0 level as Leave Reserve for above purpose.
- 12.20.2 The names of the officers selected for a particular month for receipt and opening of tenders will be communicated to all concerned along with tender opening programme on the first day of the month, if not earlier.

12.21 Accounting of tenders

<not applicable for e-procurement>

- 12.21.1 Each Purchase Centre will have an almirah with clear designated space for each date. Key of this almirah will be under the custody of Tender Receiving Officer.
- 12.21.2 Tender Receiving Officer will take out at 15.00 hrs. (1600 hrs in Mumbai & Uran) on each working day all tenders / samples from Tender Box and will put dated initials on each envelope (Same closing time shall be exercised in e-tenders also). Thereafter, the lock of Tender Box will be sealed. All these envelopes as well as envelopes received from Diary Section containing bidding documents / samples will be placed by him in their respective date bins of the Almirah provided for this purpose.
- 12.21.3 The Tender Receiving Officer will maintain numerical account of the tenders / samples taken from Tender Box as well as of the tenders / samples received by him from Diary Section on the format below:

Opening Balance		No. Of tender /samples received						Issued		Closing balance	
Tender	Sample	Through Diary Section		Tender Box		Total		Tender	Sample	Tender	Sample
		No. Of Tender	Sample	No. Of Tender	Samp les	No. Of tender	Sampl es				
1		2						3		4	

In addition, the Tender Receiving Officer will note down full particulars of each tender / sample received by him every day in a register to be maintained for this purpose. In this register, there will be one or more pages allotted for each tender notice and this will have the format below:-

Tender No..... Due date of Opening.....

Sl. No	Name of the party	No. Of envelopes received		Dt. Of receipt	Source of receipt		Initials
		Tender	Samples		Diary Section	Tender Box	
1	2	3		4	5		6

12.21.4 The tenders / samples received from different sources on different dates shall be entered in the above register. On the due date of opening, a line will be drawn at the end indicating thereby the total number of tenders / samples received against the tender notice in question. In the cases where no tender / sample has been received on a particular date, the Tender Receiving Officer will record the fact of non-receipt of any tender on the due date. The late tenders / samples received by Tender Receiving Officer from Tender Box shall also be entered in the above register after the closing entry of the timely received tenders / samples.

12.21.5 The Tender Opening Officers will put their signatures with date and time at the end of last entry of timely received tenders / samples in the Tender Receipt Register in token of their having taken over the tenders mentioned therein on the due date of opening. Late tenders / samples will be handed over by Tender Receiving Officer to the concerned Materials Management Officer after obtaining acknowledgement.

12.22 Opening of tenders

12.22.1 The tenders can be opened on any working day. If any due date happens to be unscheduled holiday then next working day may be fixed.

12.22.2 Manual tenders are to be opened at 16.00 Hrs.(17.00 Hrs. in Mumbai & Uran) and e-tenders are to be opened at 15.30 Hrs. (16.30 Hrs. in Mumbai & Uran) on the day they are due to be opened. Even in board purchase bids should be opened by the member of the board in the presence of interested bidders. (whether bidders turn up or not on specified time and location for price bid opening, is their choice.

(MM/10/2016 dated 23.03.2016)

12.22.3 - Deleted -

12.22.4 The Tenders / bids will be opened by a team of two officers as per clause 12.21.

12.23 Numbering of tenders / disclosure of prices / reading out the rates

12.23.1 Numbering of Tenders

- a. The Tender Opening Officers will encircle the rates and terms and conditions and put their initials. If there is any cutting, overwriting or erasing that will also be stated and signed by both the officers. Total number of sheets in the bid will be mentioned on the first sheet of bid and all the sheets should be initialled by both the officers opening the bid and the bid will be given Serial number. As for example, if 7 bids have been received against one particular enquiry, then bids should be numbered as 1/7, 2/7 and so on. The bids which are received by post after due date should be marked 'Late' tender with No. 8/7 and so on. The samples received along with the tenders should also be signed by both the officers. If it is not possible to sign on the samples then those samples should be sealed with the label mentioning the name of the firm. Name of the firm should invariably be recorded on the sample, if not given already.
- b. All envelopes are also to be retained on the record and these are to be initialled by both the officers authorised to open the tenders.
- c. The Section concerned whose tender is due on that particular date will be present at the time of opening of the tender with the tender register. Both Tender Opening Officers will sign the register against the name of the firms whose bids have been received. The summary/remark in respect of the offers received, as clause 12.17.1 above, shall be recorded by the tender opening officers, immediately following the entries made for the individual offers. Thereafter, the tender opening officers should make sure that no space/pages are left blank between the last entry of particular tender (which has been opening by them) and the starting page of the next tender (appearing in the register), by crossing out the blank space/pages with the remark "space/page cancelled" and should also initial on these pages.

12.23.2 Reading out the rates:

- a. In the public opening, only the total prices or group-wise prices, if sought as per tender should be read out in addition to delivery schedule and major terms and conditions. Offer should not, repeat not, and be circulated amongst the bidders' representatives.

12.23.3 Disclosure of prices

- a. Bids are to be treated as confidential documents and save at the time of public opening of tenders, prices quoted are not to be disclosed.

12.24 Opening of tenders

(MM/01/2015 dated 16.03.2015)

12.24.1 Tenders are to be opened at 15.00 Hrs. (1700 hrs in Mumbai & Uran) on the day they are due to be opened. Unless good and sufficient reasons exist (which must be recorded on the file) all bids (both techno-commercial and price bids), including bids for service contracts, estimated to cost Rs.1.00 Lakh and above, except for price bids of tenders with provision for Reverse Auction must as a rule be opened in the presence of bidders / authorized representatives of bidders.

(MM/10/2016 dated 23.03.2016)

(MM/113/2023 dated 08.12.2023)

12.24.2 The matrix for technical / techno-commercial / commercial must be worked out in advance (of opening of techno-commercial bids) by the **BEC Formulation Committee** (in cases exceeding Rs 10 lakhs) and approved by the Competent Purchase authority specified in clause **34.1** along with BEC. The matrix in which the bidders will be required to fill up the bid data will be designed objectively to cover all techno-commercial points of the tender required for evaluation and will be kept as a part of tender documents, for the bidders to fill up the same and submit along with offers. Bidders should be asked to indicate their compliance by clearly mentioning as “Confirmed” or “Not Confirmed”, to avoid any misinterpretation. Format for Bid matrix should also have provisions for indicating the reference/location (page No. / Annexure etc.) of the respective detail(s)/document(s) enclosed in the bid, so as to easily locate the same for tabulation.

12.24.3 Price bids are to be opened only for the qualified bidders and signed by the Tender Opening Officers immediately, in presence of the interested bidders. Respective dealing officers/dealing assistants shall tabulating the details in the matrix. It should be clarified in the Matrix relating to the priced bid opening that priced data reflected in the matrix will be as quoted by the bidders and subject to necessary correction based on detailed scrutiny of the priced bids. The Comparative Statement vetted by Finance will be the basis for taking the decision for placement of purchase order / award of contract. In case of QCBS, the comparative statement will include the scores.

12.24.4 The officers opening the tenders should verify that only bidders / authorised representatives of bidders who have actually submitted the bids are present. Unauthorised representatives (or representatives of firms who have not submitted the bid) should not be allowed to be present.

12.25 E-mail / fax offers

(MM/109/2023 dated 30.10.2023)

12.25.1 E-mail/ FAX Offers will not be accepted. However, in OEM purchases from single source or where source of supply is pre-fixed, Fax / E-Mail offers may be considered provided such offers are followed by confirmatory copy within 15 days of the date of receipt of offer (The processing of bids can begin after approval by CPA without waiting for the confirmatory copy). However, in case of purchase from OEM or their authorized Dealers/Distributors/ Stockists on single tender basis, if they do not submit confirmatory copies even after persuasion then such E-mail/Fax offers may be considered with the approval of CPA under exceptional circumstances. **Concerned L-1** shall have full power to approve consideration of such E-mail/Fax offers.

(MM/26/2017 dated 21.06.2017)

(MM/113/2023 dated 08.12.2023)

12.26 **Extension of tender closing / opening date and time**

Extension of date and time of closing / opening of bids should be avoided as far as possible. However, where it is in-escapable (valid and justified reasons for such extension should be recorded in writing), the competent purchase authority will be empowered for extension of date of closing / opening of bids, maximum upto two weeks. Officer one level above the competent purchase authority will approve any extension beyond two weeks. However, on the basis of **BEC Formulation Committee** recommendations, CPA shall have powers to approve extension of date of closing / opening of bids upto 4 weeks, as a consequence of interactions with prospective bidders during pre-bid conference. **Concerned L-1** will have full powers to approve extension of closing / opening date of bids.

However, in case extension in closing/ opening date of bid is required due to any policy guidelines as per clause no. 1.8.8, approval of CPA (L-1 has full powers) shall be obtained.

Requests for extension of tender closing / opening date and time, received on the date specified for the same, shall NOT be considered.

13 Tender Evaluation

13.1 Technical comments/Technical evaluation report on offers

(MM/113/2023 dated 08.12.2023)

- 13.1.1** In all cases where technical evaluation is involved, the offers shall be referred to the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases). In case of QCBS, scores for all parameters related to technical evaluation will also be sent by the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases).
- 13.1.2** 15(fifteen) days for LSTK/ 7 (Seven) days for every other purchases time will be allowed to the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) to furnish the Technical Comments/ Technical evaluation report in case of two bid system. In case OGE, preparation of technical evaluation report should be completed within 15 days time and will be approved by Level II officer of design section within 3 days and forwarded to CPD through Head Works. It will be ensured by the User Depts. that comments are invariably furnished within specified time. Indentor / User will be fully responsible for the acceptability of the materials recommended for purchase.
- 13.1.3** The representative from concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) shall scrutinize the offers received from bidders for providing Technical comments. In case of QCBS, scores for all parameters related to technical evaluation will also be provided by them.
- 13.1.4** The technical part of the comparative statement will be created along with the technical comments/technical evaluation report by the indentor
- 13.1.5** The role of the indentor will be performed by technical project group in the case of civil works.

13.2 Level for technical comments on offers

(MM/113/2023 dated 08.12.2023)

- 13.2.1** In case of purchase of general nature of items such as bulbs, tubes and stationery, technical comments will not be necessary. The level of representative from concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) for providing Technical Comments shall be as under:

Sl. No.	CPA (As per BDP)	Level of Representative for providing technical comments
1	L-I and above	L-II
2	Head MM-CPD/L-II/Head MM (at units)	L-III

3	Second Level MM-CPD/L-III/ Second Level MM (at units)	L-IV
4	Third Level MM – CPD/ L-IV / Third Level MM (at Units) Tender value>Rs.25 Lakhs Tender Value between Rs. 10 to Rs.25 Lakhs Tender Value less then Rs.10 Lakhs	E4 E3 E1

In case the technical comments are provided by external consultants, the same should be endorsed by representative from concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) at the above level.

13.3 Comparative statement

- 13.3.1 After all the quotations have been opened, these will be handed over to the Dealing asstt./Dealing officer concerned for making comparative statement.

(MM/04/2015 dated 28.04.2015)

- 13.3.2 All the bids received in respect of an enquiry or advertisement should be tabulated in the comparative statement (in the standard from (Appendix-15) prescribed for this purpose). In QCBS, the comparative statement will contain scores in both stages under 'Two bid' system. All details required will be entered in the statement. For the tenders invited under 'Two bid' system, Comparative Statement should be prepared at each stage (i.e. after opening of techno-commercial bid and price-bid) and the commercial part of the comparative statement at techno-commercial stage and the comparative statement at price bid stage will be duly vetted by Finance as per provisions under clause-13.3.8 and 13.3.10 below.
- 13.3.3 Every section will ensure that the comparative statement is prepared within shortest possible time, not exceeding 04 days of the receipt of the quotations after techno-commercial bid opening and not exceeding 03 days after price bid opening.

- 13.3.4** The commercial part of the comparative statement at techno-commercial stage as well as the comparative statement at price bid stage will be prepared and signed by the concerned Dealing Asstt ./ Dealing Officer of MM department.
- 13.3.5** At the techno-commercial evaluation stage, the comparative statement should be objectively prepared covering all the techno-commercial points of the tender required for evaluation. Compliances and non compliances and scores (in the case of QCBS) against all the requirements of BEC and the deviations / exceptions (if any) should be clearly spelt out in the comparative statement.
- 13.3.6** Documents available in public domain shall not be considered for qualification of bids.

(MM/54/2020 dated 29.01.2020)

- 13.3.7** At the price-bid evaluation stage, it should be ensured that the rates mentioned in the comparative statement are in one unit so that comparison can be made at a glance. The final evaluation prices and scores (in the case of QCBS) for each bidder should be worked out as per evaluation criteria and to be tabulated in the Comparative Statement, after taking into account all the charges / statutory levies, which are to be paid by ONGC. While evaluating the bids, the closing currency exchange rate as applicable on the day prior to the price bid opening as per “Daily” Closing exchange rate published on Thomson Reuters internet site <https://in.reuters.com/markets/currencies>, upto three places of decimal, will be taken into account for conversion of foreign currency into Indian Rupees. The exchange rates presently appearing on the right hand corner of the exchange rate chart of the said internet site shall be considered as closing rate for the day.

(MM/113/2023 dated 08.12.2023)

- 13.3.8** The comparative statement will be checked and signed by the officer of Materials Management/Tender processing group and Finance for vetting(only for tenders exceeding the value of Rs.1,00,000.00) as per monetary limits indicated below before the same is submitted with details / due recommendations to [Procurement Evaluation Committee \(after price bid opening\)](#)/ Competent Purchase Authority:

Monetary Value	Level of Officers
Upto Rs.15 lakhs	E 1 of MM/Finance/Tender Processing group
Above Rs.15 lakhs to Rs.75 lakhs	E 2 of MM/Finance/Tender Processing group
Above Rs.75 lakhs to Rs.150 lakhs	E 3 of MM/Finance/Tender Processing group
Above Rs.150 lakhs	E 4 of MM/Finance/Tender Processing group

- 13.3.9** The above check will be exercised by respective officers as far as possible. In the event an officer of the required level is not available, an Officer immediately next below level would exercise the check.

(MM/48/2019 dated 07.02.2019)

- 13.3.10** The comparative statement (commercial) will be checked by the associated Finance. The comparative statement (commercial) will invariably be vetted within shortest possible time, not exceeding 02 days of its receipt in Finance. Each page of the comparative statement will be initialled / e-signed by both the Materials Management Officer and the Finance & Accounts Officer as per above Monetary limits.
- 13.3.11** In the cases where **Procurement Evaluation Committee** is required to be held, a copy of the Comparative Statement should be made available to the members of the **Procurement Evaluation Committee** at least 48 hours before the first meeting of the committee.
- 13.3.12** However, for subsequent meetings of **Procurement Evaluation Committee**, copy of CS and such details are not required to be sent to **Committee members** in advance.

13.4 Clarification from bidders after tender opening

- 13.4.1** As a principle, clarifications from bidders after opening of tenders are to be avoided in single bid system and after price bid opening in two bid system.
- 13.4.2** At the techno-commercial bid evaluation stage (under two bid system) also, post tender clarifications should be avoided, as far as possible. In case implied clarifications / confirmations exist in the bid on the issues involved, work center may consider processing of the bid further on the basis of such implied confirmations.
- 13.4.3** However, in case after opening of un-priced techno-commercial bids, if it is observed that clarifications from the bidders on important techno-commercial aspects are necessary for enhancing competition in the tender, seeking confirmations from the bidders is allowed, on the issues where the bidder confirms compliance in the evaluation matrix and contradiction exists on the same issue due to lack of required supporting document in the bid (i.e. document is deficient or missing) or due to some statement at other place of the bid (i.e. re-confirmation of compliance) or vice-versa. The bid refers to un-priced bid in case of two bid system. Bidders should be asked to indicate their compliance in terms of works "Confirmed/Not Confirmed" to avoid any misinterpretation.

Accordingly, the following guidelines are provided to deal with various situations, irrespective of the number of clear TA/CA bids received against the tenders:

- (i) Situation: Bidder has confirmed compliance in the evaluation matrix and given details in the bid, but either failed to enclose the required supporting document or the submitted document is deficient.

Illustration: The bidder has claimed to meet the experience criteria in the evaluation matrix and given the details of experience in the bid, but has not submitted the supporting documents.

Guideline: Bidder can be asked to furnish the supporting documents. However, the supporting documents should not contradict the details already given in the original bid.

(ii) Situation: The bidder confirms compliance in the evaluation matrix, but there exists a contradiction to compliance somewhere in the bid or the catalogue etc. (or vice-versa).

Illustration: The bidder confirms to supply as per specification, in the evaluation matrix, but the detailed bid / catalogue submitted with the bid indicates a deviation to the specification.

Guideline: Bidder can be asked to furnish confirmation on the issue. Documents in support of the clarification can be sought, if necessary, but such document must not contradict the documents already submitted, otherwise the bid should be rejected.

(iii) Situation: Bidder has not indicated any response to a clause of bid document, in the evaluation matrix but there exists a confirmation to the said clause in the detailed bid.

Illustration: Bidder has not responded whether payment terms of ONGC are accepted, in the evaluation matrix. However, the bidder has confirmed acceptance of payment terms elsewhere in the bid.

Guideline: No further confirmation is required from the bidder on the issue, as the bidder has already confirmed his acceptance, notwithstanding his silence in the evaluation matrix.

(iv) Situation: The bidder has taken clear deviation to any of the terms/specification of the bid document.

Illustration: Against requirement of firm rates in a case of domestic bidding, the bidder has linked his rates to foreign currency.

Guideline: Bid should be rejected straightaway, without any reference to the bidder.

(v) Illustration: Bidder who has not submitted POA

(MM/10/2016 dated 23.03.2016)

Guideline: Bidder may be asked to submit original POA as deficient document. However, it should be ensured that POA is submitted in the name of same person who has signed the bid.

In cases of single bid system, similar approach shall be adopted for seeking of confirmations from bidders. However, prior approval of CPA must be obtained in such cases. Concerned L-1 shall have full powers in this regard.

It must be noted that no opportunity is to be given to the bidder if EMD is not submitted along with the original bid and such bid should be rejected straightaway.

(MM/48/2019 dated 07.02.2019)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

- 13.4.4** Clarifications/ confirmations/deficient documents required from the bidders on the technical issues shall be based on the technical comments from the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) and for other issues, it will be based on the evaluation by CPD/Work Centre MM/Tender Processing Group and CPD-Finance/Work Centre-Finance (for financial criteria etc.). In order to ensure pointed query which is unambiguously understood by the bidders, the tender requirement as covered in the provisions of the BEC, the details provided by the bidder in their offer, the deficiencies in relation to the BEC requirement should be brought out, while obtaining approval of CPA through Vertical Note. Concerned Key Executive (Level I) will have full powers to approve seeking of clarifications/confirmations/ deficient documents from the bidders..

With a view to widen competition in the tender where Post Bid Conference as per Para 13.4.13 is not applicable, decision would need to be taken on case to case basis as to whether one more round of clarifications need to be sought from the bidders. In that case, the issues requiring second round of clarifications/ confirmations/ deficient documents should be brought out in vertical note for obtaining approval of CPA for asking the bidders to submit clarifications/ confirmations/deficient documents after recording proper justification for the same. Concerned L-1 Executive shall have full powers to approve seeking the second round of clarification / confirmation / deficient documents.

Cases where post bid conference as per para 13.4.13 is held, normally second round of clarification shall not be required. However in exceptional situations where second round of clarifications are unavoidable, approval of concerned L-1 Executive shall be required recording proper justification.

(MM/10/2016 dated 23.03.2016)

(MM/113/2023 dated 08.12.2023)

- 13.4.5** The clarifications (commercial and technical including withdrawal of exception/deviation taken by the OEM/OES) shall be sought by the concerned dealing Officer in Tender Processing Section directly without holding the Procurement Evaluation Committee.

- 13.4.6 It is to be checked that the bidders have confirmed compliance in the un-priced bid as regards meeting of all the important BEC and tender conditions like mobilisation fee, annual turnover and net worth etc. that is those conditions whose actual compliance can be known only after price bid opening. In case any ambiguity is observed during techno-commercial evaluation, specific confirmation should be obtained from the bidder.

MM/86/2023 dated 27.02.2023

(MM/112/2023 dated 30.11.2023)

- 13.4.7 Clarifications should be sought from bidders, by specifying a reasonable cut-off time for submission of clarifications/ confirmations/ deficient documents. Sufficient time should be given to the bidders to submit their responses depending upon the nature of clarifications/confirmations/deficient documents which are required to be submitted. However, in the event of an unscheduled holiday falling in the specified day of the 'cut off time', the next working day shall be treated as the 'cut off time'. In all other situations, if an extension for the 'cut off time' is felt necessary based on request received from the bidder(s), approval should be obtained from CPA. **Concerned Level-1 executive shall have full power in this regard.** Any proposal seeking extension in cut-off date shall be initiated by the dealing officer giving full justifications for the same. Such approval for the same should be obtained before the expiry of the specified 'cut off time' and the decision should be communicated to all the bidders from whom the clarifications/ conformations/ deficient documents have been sought.

(MM/10/2016 dated 23.03.2016)

MM/86/2023 dated 27.02.2023

- 13.4.8 Clarifications / confirmations / deficient documents received after the stipulated cut-off date can be considered only in exceptional situations depending upon merit of the case, with the approval of CPA after recording detailed justification for considering such clarifications / confirmations / deficient documents. Concerned L-1 executive shall have full powers in this regard.

The proposal for considering the clarifications / confirmations / deficient documents received after specified cut-off date against the first round or second round shall be put-up for approval before evaluation of such clarifications/ confirmations / deficient documents, along with detailed justification.

13.4.9 The guiding principle in accepting clarifications is that the basic structure of the bid already submitted by the bidder should not be allowed to change after opening of bids.

13.4.10 When clarifications are sought from a bidder, documents which have been submitted by the bidder in response to clarification sought by ONGC and are post Technical bid opening date can be accepted subject to the condition that the basic structure of the bid and the vital techno-commercial BEC parameter on the basis of which the bid has been originally submitted, should not change.

13.4.11 Any technical clarifications/confirmations/deficient documents required by the User/Indenting Department should be routed through concerned Materials Management/Tender processing group.

13.4.12 In the event of non-submission of 'Bid Matrix' by any bidder whose offer is acceptable in all other respects, the 'Bid Matrix' should be obtained before accepting such offer.

(MM/48/2019 dated 07.02.2019)

(MM/113/2023 dated 08.12.2023)

13.4.13 Post bid conference: (applicable for tenders valuing above Rs. 1 Crore):

Due to Multiple rounds of clarifications primarily arising out of bidders not completely understanding the intent of clarifications sought by ONGC lead to delay in processing of tenders. In order to avoid such delays, post bid conference shall be held.

For holding Post Bid conference following process shall be followed:

- i. Clarifications / confirmations / deficient documents required from each bidder as brought out at para 13.4.4 shall be clearly spelt out in the letter to the bidders.
- ii. Bidders shall be informed that in order to address bidders' doubts, if any, only on the clarifications / confirmations / deficient documents being sought, a post bid conference shall be held by ONGC with bidders who seek to have the meeting, on one to one basis. Interested bidders may attend the same. No issues other than the listed queries pertaining to clarifications / confirmations / deficient documents sought by ONGC shall be discussed in post bid conference.
- iii) It shall also be informed to the bidders that if they choose not to seek/request for a post bid meeting, it will be noted by ONGC that such bidder(s) has well understood the query of ONGC.
- iv) Accordingly, in case bidder has completely understood the queries and they have no doubts, they may submit their replies within the date specified for submission of clarifications.

- v) Bidders who attend the post bid conference shall provide the following undertaking immediately on conclusion of the post-bid conference:

 “This is to confirm that we (name of the bidder) have attended the post bid conference on ... and have fully understood the queries of ONGC issued vide their Letter No. ... Dated....”
- (vi) Bidders shall depute their competent employee(s) /authorised representative(s) for the Post-Bid Conference.
- (vii) Only those bidders from whom clarifications have been sought shall be eligible for post bid conference..
- (viii) Bidder(s) shall be required to provide details (Name, Designation/status, mobile no. etc) of its employee(s)/authorised representative(s), who will attend Post Bid Conference and those person(s) only will be permitted to attend the post-bid conference.
- ix) List of attendees along with their signatures shall be recorded.
- x) The Post bid Conference shall be attended by the representative of Procurement Evaluation Committee at level specified at para 10.3.1 and representative of concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) at level as per para 13.2.1.

13.5 Correspondence with bidders by indentors

- 13.5.1** Before finalisation of the tender, all correspondence with the bidders must be done by concerned Materials Management/Tender processing group. However, after placing supply order / contract, if considered necessary, the indentor(s) may interact with supplier(s) / contractor(s) for any clarification provided the same does not result into modification of any condition of supply order / contract and does not involve financial implications. However, copy of such correspondence must be marked to MM Department for record. In case of LSTK projects, correspondences with suppliers/contractors shall be carried out by Indentor/Project group/Project management consultant directly after award of work in addition to MM.
- 13.5.2** It must be ensured that clarifications asked for by the Indentor(s) did not have any bearing on the price aspect.

13.6 Request for extension in validity of bid

(MM/64/2021 dated 24.03.2021)

(MM/112/2023 dated 30.11.2023)

- 13.6.1 Tenders should be finalized within the stipulated original validity of the bids and that cases requiring extension of validity should be rare. However, in the exceptional cases where the concerned executives involved in processing of tenders feel that it would not be possible to finalize the tender within the original validity, extension in bid validity should be sought so as to ensure that a minimum bid validity of 30days for MCoDP level cases and 21 days for non-MCoDP cases is available from the date of price bid opening. Accordingly, Bid Security validity should also be available for a further period of 30 days beyond the said bid validity. However, seeking further extensions of bid validity and bid bond validity should be avoided after price bid opening. In exceptional cases, if extension is required in bid validity and bid bond validity, after price bid opening, then the same should be obtained from the clearly established L-1 bidder (B-1 bidder in case of QCBS tenders) only. However, in cases where it is required to have more than one source of supply or if the tendered quantity is more than what L-1 bidder (B-1 bidder in case of QCBS tenders) can supply, then in those cases bid and bid bond validity should be obtained from all those bidders who are in contention for award of contract.

(MM/26/2017 dated 21.06.2017)

- 13.6.2. Bid and Bid Bond validity shall not be sought for the bids rejected and duly approved by CPA.

(MM/68/2021 dated 02.08.2021)

13.7 Disclosure of Prices in the techno-commercial bid

13.7.1. Bidders should not indicate/disclose prices in techno-commercial (un-priced bid). In case bidders indicate/disclose prices in techno-commercial (un-priced bid) or at any stage before opening of price-bid, their bids shall be evaluated without giving any cognizance to such prices (for any purpose) i.e. no cognizance for award of contract/rate reasonability/price negotiation).

Evaluation will be done as per Price Evaluation Criteria of BEC on the basis of prices quoted in the price bid only.

If the bidder has indicated/disclosed some price in techno-commercial bid (at techno-commercial stage) or at any stage before opening of price-bid, but has not indicated any price in its Price Bid, its offer shall be considered as without any price and thus shall be rejected and in no case price revealed in techno-commercial bid shall be considered for award.

A warning shall be issued by ONGC to such bidders intimating their senior management for not repeating such mistake again.

14 Rate reasonability and Negotiations

14.1 Reasonability of rates

(MM/64/2021 dated 24.03.2021)

(MM/113/2023 dated 08.12.2023)

- 14.1.1 Rate reasonability will be applicable in cost only or L-1 selection/evaluation methodology. **Procurement Evaluation Committee** shall be required to establish and certify the reasonability of rates of L-1 bidder received in a tender. Rate reasonability can be established in comparison to cost estimates and / or last purchase rate (if available) and / or price trends prevailing in the market (if the same can be determined depending on either the type of items being purchased or if there is any published documents / data reflecting the price trends or if there is relationship between raw material being used in manufacture of items like steel is used for manufacture of tubular goods). When purchase is being dealt by **MM Department** and does not fall under purview of **Procurement Evaluation Committee**, dealing officer of MM in consultation with Indentor and Finance shall ascertain the rate reasonability and put up the proposals for approval of CPA. **However**, for cases dealt by departments other than MM, rate reasonability shall be ascertained by dealing officer in consultation with finance. In such cases minimum E-2 level of executives shall be consulted. While ascertaining the reasonability of rates, comparison should be first done with Cost Estimates/LPR (wherever available) without applying any escalation factor. Thereafter, suitable escalation factor, if any, needs to be considered for ascertaining the reasonability of rates. Accordingly, the case shall be processed for finalisation, if the rates of L-1 bidder are considered to be reasonable on the basis of above analysis. Wherever the rates of L-1 bidder are substantially high as compared to cost estimates / or LPR or not in line with the price trend prevailing in the market, a decision shall be taken as to whether price negotiation need to be conducted.

14.1.1.1 (Applicable for QCBS tenders)

Refer para 11.3.7. When purchase does not fall under purview of **Procurement Evaluation Committee**, approval process shall be as per 14.1.1 above.

- 14.1.2 In cases where one single contract is to be awarded but the price format consists of number of line items involving either supply of items or services or both, in addition to working out line item wise variation of rates w.r.t. LPR, a composite variation percentage comparison with the LPR be also worked out considering the estimated quantities indicated in the price format which are being considered for evaluation.
- 14.1.3 While finalizing the consultancy contracts, the reasonability of the quantum of Man-hours that would be required to complete the job should also be examined and certified to be reasonable in addition to certifying the reasonability of Man-hours rates.

- 14.1.4 In case LPR is in foreign currency or a portion of LPR is in foreign currency, then the LPR or portion of it as applicable will be converted to Indian rupees for the purpose of comparison by using the foreign exchange rate prevalent on the date, the rate of which were adopted for converting foreign currency bids for preparation of comparative statement.

(MM/10/2016 dated 23.03.2016)

- 14.1.5 – Deleted -

- 14.1.6 – Deleted -

- 14.1.7 Following guidelines are to be followed with regard the reasonability of prices in PAC/nomination cases:

- (i) The price quoted by the bidder may be compared with those at which the bidder has supplied the same item / service to other oil company(ies) in India. For this purpose, the bidder should be asked to provide the copy(ies) of orders executed / currently in hand. In case the bidder has not supplied the same item / service to other oil company in India, the bidder should be asked to provide the copy(ies) of orders placed on him by any other oil company anywhere in the world.

- (ii) In case the price quoted by the bidder is found to be on a higher side, negotiation should be done with the bidder to get best reduction in price.

(MM/114/2023 dated 20.12.2023)

- (iii) In cases where the negotiation is done, **Procurement Evaluation Committee** should certify, at the time of submission of final recommendation to Competent Purchase Authority, that **Procurement Evaluation Committee** is convinced that no significant reduction in prices would be achieved by continuing the negotiations further.

(MM/10/2016 dated 23.03.2016) – Part of Sub para (iii) deleted.

- (iv) The urgency, if any, of the safety and operational requirements shall be certified by the indenter, duly approved by the concerned Level-1 officer.

(MM/26/2017 dated 21.06.2017)

(MM/79/2022 dated 17.10.2022)

(MM/114/2023 dated 20.12.2023)

14.1.8 Placement of order when one offer is received or Techno Commercial evaluation ends up with only one TACA offer (at the overall tender level as a whole)

If after inviting Open/Limited tenders, only one offer is received against the tender or Techno Commercial evaluation ends up with only one TACA offer, the order may be placed on the bidder provided following conditions are satisfied:

- i) The procurement was satisfactorily advertised and sufficient time was given for submission of bids.
- ii) The qualification criteria were not unduly restrictive; and
- iii) Prices are reasonable in comparison to market values or if the requirement is urgent.

The urgency of the requirement would be certified and approved, as per provisions under para 14.1.7(iv).

However in such cases Competent Purchase Authority shall be as prescribed in BDP for nomination cases under item No. 24.1(c), (d),(e) or (h) depending upon nature of procurement. In case of price not being reasonable, negotiations or retender may be considered as justifiable. Aforesaid cases will not come under the ambit of reporting mechanism prescribed for nomination cases.

As and when a single offer situation gets triggered against a tender after opening of Price bid, the Procurement Evaluation Committee shall need to be re-constituted at appropriate level in relation to the level of revised CPA. The Procurement Evaluation Committee shall deliberate and give the required confirmation that conditions as per (i), (ii) and (iii) above are satisfied.

14.2 Negotiations

(MM/07/2015 dated 18.07.2015)

- 14.2.1 There should not be any Price negotiations. Negotiations, if at all, shall be an exception as provided herein below and shall be held with L-1/bidders(s) eligible for purchase preference only.

a) For cases where quantity is non splitable/non dividable:

For the cases where quantity is non splitable/non dividable, the bidder who quoted the lowest among the bidders eligible for purchase preference shall be asked to match his rates with that quoted rate(s) of the bidder who emerged L-1 on quoted basis. Subsequently negotiations shall be carried out with that eligible bidder. In case the bidder refuses to match the rates with L-1, then other bidders who are eligible for purchase preference as per the prescribed guidelines shall be given a chance to match rates with L-1 in the order of their ranking and further negotiations shall be carried out with that bidder who matches the rates with the L-1.

In such situations, while asking the bidder to match the rates with L-1, it shall also be notified that ONGC shall carry out negotiation with the bidder subsequent to matching of rates.

b) For cases where quantity is splitable/dividable:

For the cases where quantity is splitable/dividable, the bidder emerging L-1 on quoted basis shall be called for negotiations. After carrying out the negotiations with such bidder, all the bidders who are eligible for purchase preference shall be asked to match the L-1 prices arrived at after negotiations and quantity shall be divided among them (wherever applicable). However in case none of the bidders matches, order for total quantity shall be placed on the bidder who emerged L-1 on quoted basis.

(MM/64/2021 dated 24.03.2021)

(MM/99/2023 dated 25.08.2023)

(MM/109/2023 dated 30.10.2023)

(MM/113/2023 dated 08.12.2023)

- 14.2.2 Negotiations shall be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. Price negotiations shall be undertaken by Procurement Evaluation Committee, only with L-1 bidder, on prior approval of concerned L-1 officer, in any of the following exceptional situations, where the rates of L-1 bidder are substantially high as compared to cost estimates:

- i. The items are proprietary in nature;
- ii. The bidders have formed cartel;
- iii. Sources are limited.

Para deleted (MM/112/2023 dated 30.11.2023)

The entire process of negotiation has to be concluded within a period of seven working days from the date of approval and a decision needs to be taken based on the reply received from the bidder port negotiation.

In case the Work Centre wants to continue the negotiations further beyond seven working days , specific approval of the Competent Purchase Authority for each additional round of negotiation should be obtained (full powers to concerned L-1) providing detailed justification/exception for continuing the negotiation further.

14.2.2.1 (Applicable for QCBS tenders)

In QCBS tenders, price negotiations will generally not be resorted to. However, price negotiation can be conducted with B1 bidder (with the approval of authority empowered to allow negotiations in case of Non-QCBS tenders) to arrive at reasonable price in the situations as brought out at para 11.3.7 above.

Negotiations shall be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. As, prices of different quality product may be different, therefore different prices received in tender processed under QCBS should not be considered an indicator for conducting price negotiation.

The entire process of negotiation has to be concluded within a period of seven working days from the date of approval and a decision needs to be taken based on the reply received from the bidder port negotiation.

In case the Work Centre wants to continue the negotiations further beyond seven working days, specific approval of the Competent Purchase Authority for each additional round of negotiation should be obtained (full powers to concerned L-1) providing detailed justification/exception for continuing the negotiation further.

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

14.2.3 Negotiations should not be misused as a tool for bargaining with L-1 (B-1 bidder in case of QCBS tenders) with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the **Procurement Evaluation Committee** recommending negotiations. Competent Purchase Authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and the time taken for according requisite approvals for the entire process of negotiation and award of order should not exceed 30 days from the date of submission of recommendations. In cases where the proposal is to be approved at **MCoDP** level, a maximum of additional 15 days shall be allowed. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period. It is to be ensured that negotiations are resorted to only in cases where reasonability of rates could not be established, above conditions as per clause 14.2.2 (or in situations brought out at para no. 14.2.2.1 in case of QCBS tenders) are satisfied and bottom up accurate cost estimate ('should cost') is available to support negotiations.

14.2.4 In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) (B-1 bidder in case of QCBS tenders) for the supply of a bare minimum quantity, subject to acceptance by the bidder. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process, after due examination to see whether review of specification, scope of work and tender conditions is required in future, to bring more competition.

(MM/114/2023 dated 20.12.2023)

(MM/117/2023 dated 29.12.2023)

14.2.5 Where it is required to have more than one source of supply (due to critical or vital nature of the item), it is mandatory to pre-disclose the ratio of splitting the supply (in accordance with prevailing instructions, so as to award maximum quantity to the L-1 bidder (B-1 bidder in case of QCBS tenders)) in the Bid Evaluation Criteria, after due deliberation in **BEC Formulation Committee**. This must be followed scrupulously.

14.2.6 After due processing, if it is discovered that the quantity to be ordered is far more than what L-1(B-1 bidder in case of QCBS tenders) alone is capable of supplying (in tenders where bidders are allowed to quote part quantities) and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable as given below:

(i) If the requirement of tender quantity cannot be met by L-1 bidder (B-1 bidder in case of QCBS tenders), negotiations will be carried out with the approval of Competent Purchase Authority (CPA).

To expedite the process of negotiations, all other acceptable bidders will be advised to submit their confirmations in sealed envelopes, to match their rates with those of evaluated L-1 bidder (with Target Price worked out for matching by B2, B3 Bidders based on provisions at para no. 11.3.8 above in case of QCBS tenders).

(ii) Sealed covers will be opened in the order of ranking originally established and in the presence of bidders' representatives who choose to be present. Bidders who match their prices with the L-1 bidder (with the Target Price worked out for matching by B2, B3 Bidders based on provisions at para no. 11.3.8 above relevant in case of QCBS tenders) would be considered for award on basis of their original ranking and to the extent of quantity / number offered by them. Opening of sealed cover will be stopped when the total quantity requirement is met

- 14.2.7 Counter-offers to L-1, in order to arrive at an acceptable price, shall tantamount to negotiations. However, any counter-offer thereafter to L-2, L-3, etc., (at the rates accepted by L-1) in case of splitting of quantities (as pre-disclosed in the tender as per para 16.1.1 or due to limited capacity of L-1 bidder as per para 16.1.1 & 16.1.2) shall not be deemed to be a negotiation.

(MM/64/2021 dated 24.03.2021)

- 14.2.8 If L-1 bidder (B-1 bidder in case of QCBS tenders) backs out, there should be re-tendering in a transparent and fair manner. The Competent Purchase Authority may in such a situation call for Limited or Short Notice tender or nomination basis, if so justified in the interest of work, on the basis of examination and recommendation by Procurement Evaluation Committee.

(MM/10/2016 dated 23.03.2016)

(MM/113/2023 dated 08.12.2023)

- 14.2.9 For the cases valuing upto Rs 10 lacs also, convening of Procurement Evaluation Committee is necessary for recommending and conducting negotiations. The Procurement Evaluation Committee in such cases shall consist of one officer each from Tender Processing Group and Finance as per para 10.3.1. Such recommendations for negotiation of said Procurement Evaluation Committee shall require the approval of concerned Level-1 and shall be put up through the Level-2 executive of the indenting department.
- 14.2.10 In respect of cases where assistance of World Bank and other international funding agencies like IMF, ADB etc. is involved, the procedure specified by the respective agency will be followed.

14.3 Cancellation / re-invitation of tenders

(MM/109/2023 dated 30.10.2023)

14.3.1 Cancellation of tenders:

- a. A tender shall be deemed to have been cancelled to the extent a demand is withdrawn. Advice regarding the cancellation action shall be conveyed to the indenter. In such case approval of the CPA would be required for the cancellation. **However, concerned L-1 shall have full power in this regard.**
- b. Cancellation of tenders for any other reason, to be recorded in writing, shall require the approval of the purchase authority one step higher than the competent purchase authority. **However, concerned L-1 shall have full power in this regard.**
- c. All concerned must ensure that while taking any action of rejection/recall of tenders, clear reasons are recorded on the file, strictly in terms of the provisions stipulated in Bid Evaluation Criteria, Materials Management Manual and other specific instructions issued from time to time. If the reasons for cancellations / reinvitations of tender are not adequately justified, the concerned authority may take up the issue with the concerned indenter for taking adequate measures to firm up requirement before placement of purchase indent so that need for cancellation / re-invitation of tenders does not arise in future.

14.3.2 Re-invitation of tenders

MM/86/2023 dated 27.02.2023

- a. In the event of re-invitation of bids, the approval will be obtained (through the CPA) from the authority one level higher than the CPA. **However, concerned L-1 shall have full power in this regard.** The closed / cancelled tender should in no case be revived

(MM/10/2016 dated 23.03.2016)

- b. Such re-invitation of bids, on a limited basis, shall also include all the bidders who quoted against the original tender.
- c. Similarly, in the case of open tenders intimation regarding re-invitation of tenders will be sent to all the bidders who quoted against the original tender.
- d. Reasons for re-invitation of tenders in all such cases will be recorded.

MM/102/2023 dated 19.09.2023

14.4 **Evaluation of SOR based tenders for Civil Works in Assam:**

Bidders will have to quote only one figure as % Above (maximum 10%) or At par of estimated cost. Any bid with below "at par" and above "10%" of estimated cost shall be rejected straightway.

ONGC shall evaluate the inter-se-ranking of the bidders and conduct Draw of Lots amongst the eligible bidders in case of identical prices, and contract shall be awarded accordingly.

The bids conforming to the specifications, terms and conditions stipulated in the tender documents and considered to be responsive will be evaluated as per the procedure mentioned below:

Bid will be opened on schedule date & time as specified in the NIT and all the bids where the bidders have quoted the lowest price (within the permissible percentage as per NIT) in e-tender portal will be selected for conducting Draw of Lots (DoL). DoL will be conducted within a short period after Bid Closing Date. In the DoL 7 (seven) numbers of bidders will be selected first, in the order of B-1 (Bidder-1), B-2, B-3, B-4, B-5, B-6 and B-7. The technical and commercial scrutiny will be carried out for these seven bidders only. If the bid of bidder B-1 is found to be technically and commercially qualified, B-1 will be the successful bidder (Priority-1 bidder) and the contract will be awarded to B-1. If B-1 is not found to be technically & commercially qualified and B-2 is technically and commercially qualified, B-2 will be awarded the contract, ---- and so on; i.e. whoever becomes the first technically qualified bidder in the order of B-1 → B-2 → B-3 → B-4 → B-5 → B-6 → B-7, will be the successful bidder (P-1). In this way, P-1 (Priority-1) and P-2 bidders will be selected. The contract will be awarded to the P-1 bidder only. However, in case the bidder P-1 is not able to carry out the job or if the Contract is proposed to be awarded to more than one bidder due to huge volume of work / to divide the work amongst more than one bidder, then in that case P2, P3, P4 may be awarded the job. However, provision to distribute the Contract amongst more than one bidder should be specifically stipulated in the tender.

In case, none of these seven bidders are found to be techno-commercially acceptable or Contract is proposed to be awarded to more than 7 bidders, the draw of Lot will be again conducted to select 7 more bidders as B-8 to B-14 and similar steps will be followed thereon as explained above. The system of conducting further of draw of lots will be followed till a technically acceptable bidder / complete tendered requirement is met.

Bidder should note that deficit documents will not be sought from the bidders. The bids will be evaluated as per the documents received from the bidders at the time of bid opening. Any bid, which is not supported with the requisite documents as per the NIT, will be rejected straightway without seeking any further clarification and deficit document.

The rates at which the Contracts will be awarded to the bidders shall be subject to matching the lowest rates received in the tender.

Note: Work centre will frame and incorporate suitable clauses in BEC / tender for SOR based Civil Works pertaining to Assam accordingly. Under this scenario, bids may be rejected after price bid opening.

MM/103/2023 dated 19.09.2023

MM/113/2023 dated 08.12.2023

14.5 **Evaluation of tenders for ‘Hiring of light vehicles’ in Assam**

1. Applications to be collected through online portal. A unique number is to be allotted to each applicant after submission of the application.

2. Bids will be invited at ONGC offered rates on “**one-applicant-one-vehicle**” basis.

Offered rates for Services and monthly wages of regular driver (as applicable, to be decided by the Work Centre) shall be upfront declared by Work Centre in NIT.

Only one online application will be accepted from one applicant. If at any stage it is found that an applicant has submitted more than 1 (one) application in his / her name against the tender, i.e. either after the submission of applications or during scrutiny of applications of provisionally selected applicants through Draw of Lots or during pendency of award of contract, then all the applications submitted by such applicant(s) will be rejected and the Performance Security submitted, if awarded contract(s) to such applicant(s), will also be forfeited.

3. Draw of Lots to be held among all the applicants in presence of applicants/parties and members from the Indenting Department, Finance Department and MM Department.

4. Notice shall be drawn to attend the Draw of Lots and attending applicants, or any person (public) present during the Draw of Lots is randomly asked to pick up a number for the Draw of Lots. List of provisionally selected applicants including waiting list applicants (if necessary) duly signed by company representatives attending the Draw of Lots shall be published in ONGC's tender website as well as e-tender portal and displayed in the Notice Board after the Draw of Lots.

5. A few applicants will be kept in a waiting list with a validity period of 1(One) year from the date of Draw-of- Lots for any future requirement. These applicants, subjected to fulfilment of NIT conditions, shall be considered for filling up of vacant positions in the Priority List resulting from any rejection of selected application(s)/cancellation of contract(s) after Lottery or additional requirements of the Company, if any. However, ONGC reserves the right to extend the validity of the Waiting List/Priority List suitably.

6. Short listed applications shall be scrutinized as per criteria of the tender by the indenting department and to be vetted by F&A department wherever necessary.

7. All the eligible applicants short-listed vide Draw of Lots shall be required to submit additional documents (like Affidavits, Address proof, Age proof, etc. to be decided by work Centre) which shall be further scrutinized jointly by Indenting Department,

Finance Department and MM Department. All the eligible applicants short-listed vide Draw of Lots are also required to submit Bid security.

8. MM Department to process **Procurement Evaluation Committee** Minutes recommending award of contracts to the eligible short-listed applicants and place it before the Competent Purchase Authority for approval.
9. Issuance of LOA to the approved applicants (Contractors).
10. Signing of Formal Contract Agreement by the contractors after submission of Performance Security.
11. In the event, technically qualified applicants are less than the required Company's requirement from the first Draw-of-lot, then the balance requirement shall be selected through a second Draw-of-lot. Subsequent Draw-of-lots in the above manner shall be conducted till the requirement of technically acceptable applicants is exhausted. ONGC reserves the right to shortlist the appropriate nos. of applicants in the Draw-of-lots.

Note: Assam Asset shall frame BEC/detailed tender clauses in consultation with Oil India Limited and the same shall be approved by concerned L-1 Executive. Other work centres in North East may adopt the BEC tender clauses finalised by Assam Asset.

15 Acceptance and Award of tender

15.1 Consideration of offers

- 15.1.1** For tenders other than QCBS, lowest price bid may be determined from among those tenders which are technically and commercially acceptable.
- 15.1.2** For QCBS tenders, the following points should be taken into consideration for placement of an order:-
- a. The orders are to be placed on the highest techno-commercial score
 - b. $\text{Techno-Commercial Score} = (\text{Quality Score assigned to bidder} \times \text{Technical weight \%}) / 100 + (\text{Lowest bid value of all bids} \times \text{Commercial weight \%}) / \text{Bidder's Price}$
 - c. Bids which do not conform to the specifications are to be ignored straightaway.
 - d. Bids for which technical score is less than the minimum threshold as specified in the tender are not to be shortlisted for Price Bid opening.
 - e. Highest scoring bid may be determined from among those tenders which conform to all mandatory technical and commercial criteria and have a technical score greater than the minimum threshold specified in the tender.

15.2 Acceptance of tender

- 15.2.1** Tender shall be accepted by the officers as per the powers delegated in the BDP. In case the prescribed level officer is not available, then the case shall be put up to the next higher level officer.
- 15.2.2** In case after opening of price bid, bidder has not complied with the required stipulation/conditions of tender like financial criteria etc. then such offers should be rejected.
- 15.2.3** A firm which has been engaged to provide goods or works for a project and any of its affiliates should be disqualified from providing consulting service for the same project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, should be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project.

Consultants or any of their affiliates will not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

15.3 Signing of purchase order / contract

- 15.3.1** After finalization of tender, award of LOA/NOA should not be withheld without any justified reasons beyond prescribed time norms for the same.

Further, detailed purchase order shall be issued within 10 days from receipt of acceptable PBG/SD and in case of payments through Letter of credit; LC shall be opened within a period of 7 days from issue of formal order, except for cases where Income Tax NOC is to be obtained.

15.3.2 Similarly, detailed contract shall be signed within 15 days from receipt of acceptable PBG/SD. However PBG/SD should be submitted within 15 days from the date of NOA.

15.3.3 It should be ensured that all the documents / conditions existed in the tender document and all conditions mutually agreed between ONGC and the bidder during tender stage, must invariably be incorporated in the supply order/contract. In case of centralized procurement, a copy of complete tender document, including all terms & conditions and amendments (if any) issued thereto, must be circulated to respective consignees along with the supply order. In order to make a contract legally enforceable, all concerned must ensure that the contract is properly signed & stamped by the contractor before it is signed by ONGC's representative.

(MM/32/2018 dated 28.03.2018)

(MM/113/2023 dated 08.12.2023)

15.3.3.1 Wherever there is a change in technical specifications, scope of work or other financial conditions during the tendering process, the concerned dealing officer from CPD/Work Centre/Tender Processing Group, if considered necessary, will forward the technical specifications and scope of work to the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) and financial aspects to the finance team for vetting before incorporating the same in the PO/contract. The specifications/scope of work shall be vetted by the concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) within 3 working days and financial aspects by Finance within 4 working days.

15.3.4 The service contract (including charter hire of rigs) should be for a firm period. However, the provision of automatic extension of service contract for the time required for completion of the job in progress on the date of expiry of the contract on the same rates, terms and conditions should be incorporated.

15.3.5 Use of uniform percentage to fix the delivery cost in Purchase Orders in ICE

Following uniform percentage should be used for the various overhead cost in the purchase orders for imported materials across all locations, the inland freight as given below shall be applicable for indigenous ex-works cases as well:

Sl. NO	Particular	Expenditure	Supply provision in percentage of CIF value of goods
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1.	Bulk cargo such as pipes, chemicals etc. for Mumbai Offshore	Port charges	0.25% of CIF value
		Customs clearance charges	0.25% of CIF value
		Loading, unloading and inland transportation upto ultimate consignee	2.50% of CIF value
2.	Bulk cargo such as pipes, chemicals etc. for Onshore projects such as Mehsana, Ankleshwar, Jodhpur etc.	Port charges	0.25% of CIF value
		Customs clearance charges	0.25% of CIF value
		Loading, unloading and inland transportation upto ultimate consignee	4.00% of CIF value
3.	To all items other than 1 & 2 above	Customs clearance charges, Loading, unloading and inland transportation upto ultimate consignee	1% CIF value

Note:

(MM/10/2016 dated 23.03.2016) Note (i) - Deleted -

- (i) contracts for related and dependent works, should not be awarded to same or sister firms
- (ii) in order to avoid errors in calculating various charges involved in a contract, due care should be taken while defining various elements of a formula adopted for calculating various charges in a contract. Further, wherever necessary Finance/Legal departments may also be consulted while formulating a formula and the applicable elements, before finally adopting the same.

(MM/32/2018 dated 28.03.2018)

15.3.6 Standard Operating Procedure (SOP) for signing of the Contract after placement of NOA is detailed at **Appendix - AA**

15.4 Verification of the authenticity of the documents submitted by the bidders

(MM/26/2017 dated 21.06.2017)

- 15.4.1 Whenever any distinctive complaint has been received regarding submission of the forged documents/certificates/information, a thorough investigation should be conducted for verification of the authenticity of documents submitted by the successful bidder and if it is established that documents have indeed been forged, appropriate action should be taken against defaulting vendor/contractor.

15.5 Change of valuation type in PO against ICB tenders

- 15.5.1 If the PO is to be placed on a foreign vendor, no modification would be required in the 'valuation type' as it will automatically get adopted to in the system to STIM or SPIM.

- 15.5.1.1 If the PO is to be placed on a domestic vendor, the 'valuation type' needs to be changed to STID or SPID. This can be done by concerned P.O. creator without any modification in the PR. However, if the material has not been sourced indigenously, then the PO creator would have to create Material Master record for changing the valuation type to STID or SPID in an ICB tender where order is to be placed on a domestic vendor.

16 Miscellaneous

16.1 Splitting of tenders / purchase orders

- 16.1.1** Tenders are generally finalised on item wise lowest offer basis. Items in a tender may be split up in more than one order depending on the merit of each case. In case of operational needs, tender for part of items may be finalised with the approval of CPA. For finalisation of tender for the remaining items, the case will be submitted to the Competent Purchase Authority for complete tender reflecting therein the facts that tender for part items in this case has already been finalised.
- 16.1.2** Sometimes it becomes essential to place order simultaneously on two firms to safeguard against the chance of one of the firms failing to execute supplies or when material is urgently required and where a single firm cannot supply the required quantity in time. Where the tenders are being called and the volume of the purchase is likely to be very large and where it is important because of this to ensure that no single bidders gets order for more than the quantity he can supply on the ground that he is the lowest bidder. Similarly, in case of tenders for critical items/services depending entirely on one supplier for material could affect operations due to unforeseen failure on the part of supplier. When the tender is floated, bidders are specifically asked to quote(a) for the whole purchase or (b) for a fraction of unit of the purchase and methodology as per provision contained in para 14.2.5 & 14.2.6 for splitting of orders must be follow.

16.2 Purchase of Machinery and Equipment

(MM/10/2016 dated 23.03.2016)

16.2.1 – Deleted -

16.3 Tender Monitoring System

- 16.3.1** Under TMS, on receipt of PR by the respective purchase section, the date of receipt of PR shall be required to be entered in the prescribed field provided in the system. Accordingly, the scheduled date(s) of completion of subsequent activity (ies) and the actual date of completion for the same activity (ies) shall also be required to be entered into by the dealing officers of the respective section on a regular basis in sync with the respective activity. In cases, where seeking clarifications becomes necessary, the date for completion of next activity (ies) shall be re-scheduled. Concerned officials should ensure proper entries in TMS. For the purpose of entering necessary dates/details in the TMS, transaction code ZMMTDR1 or ZMMTMS should be used.

16.4 Guidelines for officials with personal interest in companies/agencies participating in the tender

- 16.4.1** Any official involved in tender formation, processing, evaluation and / or award and having personal interest in any of the Companies/agencies participating in the tender, shall refrain from participating in the tender process. In such situations, the concerned official shall intimate to his next higher authority his inability to participate in the tender process and obtain approval nominating an alternate official for that particular case.

16.5 Earnest Money Deposit / Bid security

(MM/63/2021 dated 22.03.2021)

(MM/65/2021 dated 06.04.2021) (Circular No. 05/2022 dated 25.01.2022)

(MM/66/2021 dated 23.07.2021)

(MM/98/2023 dated 24.08.2023)

- 16.5.1. No earnest money deposit / bid security will be necessary for purchases upto Rs.10.00 lakhs. Earnest money deposit/ bid security will also not be necessary for purchases from Central Govt. Departments and Central Public Sector Undertakings. No earnest money shall also be necessary for purchase / service contracts on nomination/ PAC/OEM basis.

MM/65/2021 dated 06.04.2021

MSEs possessing valid Udyam Registration Certificate as notified vide Gazette notification no. S.O. 2119 dated 26.06.2020 (as amended) issued by Ministry of Micro, Small and Medium Enterprises will be exempted from furnishing bid security / earnest money deposit and will be eligible for other benefits as per PPP for MSEs order,2012 against open and limited tenders, subject to following conditions:

- a. (Applicable for procurement of Goods/ procurement of equipment alongwith associated services like Installation, Commissioning, Training, AMC etc)

Bidder is participating in tender as manufacturer of the quoted item and not as a trader/dealer.

- b. Bidder submits the copy of valid Udyam Registration Certificate, as Micro or Small Enterprise.

Firms Recognized as 'Start-ups' by DPIIT(Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry GOI) will also be exempted from furnishing bid security / earnest money deposit subject to submission of documents as mentioned at Para 90.3 for all types of Procurement.

(MM/50/2019 dated 04.07.2019) (MM/53/2020 dated 17.01.2020)

EMD / Bid Security can be obtained from bidders in any one of the following modes:

- (i) NEFT/RTGS/Electronic fund transfer to designated account of ONGC as mentioned in ITB of tender document.

Deleted (vide MM/98/2023 dated 24.08.2023)

MM/107/2023 dated 30.10.2023

MM/110/2023 dated 01.11.2023

- (ii) **Electronic Bank Guarantee (e-BG)** (as per prescribed proforma) from banks acceptable to ONGC, valid for 30 days beyond the required validity of bid.

- (iii) Irrevocable letter of credit (as per prescribed proforma) valid for 30 days beyond the required validity of bid, duly confirmed by Indian Nationalised / Scheduled banks will be acceptable only from foreign bidders.

16.5.2 The following slab based on different amount of expenditure sanction will be used to determine EMD.

(MM/105/2023 dated 26.09.2023)

However, the maximum limit of EMD/Bid Security for a tender shall be as follows:

Bidder	Maximum limit of EMD/Bid Security
Indian Bidder	Rs.8 crore
Foreign Bidder	US\$ one million in case EMD/Bid Security submitted in US Dollars
	INR Equivalent of US\$ one million by converting USD to INR using currency conversion rate as per para 16.5.3 of IMMM in case EMD/Bid Security submitted in INR

Amount of Expenditure Sanction	Amount of EMD / Bid Security
<= Rs.10 Lakh	Nil
>Rs.10Lakh, <= Rs. 5 Crore	@2% of total estimated cost put to tender
>Rs. 5 Crore, <= Rs. 15 Crore	Rs. 10 Lakhs + 1.5% on amount exceeding Rs.5 Crore
>Rs.15 Crore, <= Rs. 25 Crore	Rs. 25 Lakhs + 1% on amount exceeding Rs.15 Crore
.>Rs. 25 Crore	Rs. 35 Lakhs + 0.5% on amount exceeding Rs. 25 Crore

Note :

- i) EMD amount once fixed in NIT based on the original expenditure sanction conveyed shall not be modified on account of variation in quantity/ increase in scope etc if any, after invitation of tender.
- ii) Rounding off of EMD amount shall be done to nearest thousand in case of INR and to nearest hundred in case of US\$.

Rounding off should be done in following manner:

In case of INR, if EMD amount is Rs. 12,15,785 it will be rounded off to Rs. 12,16,000.

Similarly EMD amount of Rs.12,15,385 will be rounded off to Rs. 12,15,000.

In case of USD, if EMD amount is USD 17,368 it will be rounded off to USD17,400.

Similarly EMD amount of USD 17,312 will be rounded off to Rs. USD 17,300.

(MM/54/2020 dated 29.01.2020)

- 16.5.3 While working out the EMD, the closing currency exchange rate as per “Daily” Closing exchange rate published on Thomson Reuters internet site <https://in.reuters.com/markets/currencies>, upto three places of decimal, as applicable on date of approval of BEC by Competent Authority in terms of para 34.1.2 will be taken into account for conversion of Indian Rupees to US Dollars. The exchange rates presently appearing on the right hand corner of the exchange rate chart of the said internet site shall be considered as closing rate for the day. The EMD shall be submitted in Indian Rupees by Indian bidders and either in US Dollars or in INR by foreign bidders.

16.5.3.1 Offer received with shortfall in EMD should not be accepted.

(MM/26/2017 dated 21.06.2017)

(MM/113/2023 dated 08.12.2023)

- 16.5.4 The Bid security of unsuccessful bidders will be returned within 5 days of finalization of the bid/LOA. The Bid Security of successful bidder will be returned within 5 days from the date of acceptance (after legal vetting and confirmation from the bank) of Security Deposit/Performance Security submitted by the bidder.
- a. At the time of seeking purchase approval, **Procurement Evaluation Committee** should invariably recommend for release of EMDs of unsuccessful bidders. In cases where **Procurement Evaluation Committee** is not required, while submitting the purchase proposal for approval of CPA, dealing officer/official must also incorporate the recommendations for release of EMDs to unsuccessful bidders.

(MM/112/2023 dated 30.11.2023)

- b. The Competent Purchase Authority (who has approved award of contract) will have powers to approve release of earnest money / Bid Bond / bid security. However, concerned Level-1 Executive will have full powers in this regard.
- c. After obtaining approval of CPA, the onus and responsibility shall be of dealing officer/official to ensure release of bid bonds/EMD to unsuccessful bidders, within 5 days.

(MM/50/2019 dated 04.07.2019)

(MM/112/2023 dated 30.11.2023)

- d. Invoking/forfeiting of Bid Security / EMD

Approval of Level-1 executive will be obtained for invoking / forfeiting the Bid Security / Bank Guarantee(s) including for MCoDP level cases.

(MM/78/2022 dated 10.10.2022)

~~The GST as applicable on forfeiture of Bid Security (EMD) shall be borne by ONGC.~~

In charge MM to monitor compliance of release of EMD and security deposits to bidders.

In case of requirement of any extension of Bid Security/ EMD, the same should be taken up at least 10 days prior to expiry of Bank Guarantee.

(MM/56/2020 dated 20.04.2020)

(MM/113/2023 dated 08.12.2023)

- 16.5.5
- a. The EMD/bid bond/bid security of bidder(s) under following situations shall also be released, only on receipt of request to this effect from the bidder(s) against submission of an undertaking by the bidder(s) as per format given at para 16.5.5.1:
 - i. Bidder(s) whose bid has been rejected with the approval of CPA and in case rejection of bid is not an incident that attracts forfeiture of bid security as per extent proviso.
 - ii. Bidder(s) whose bid has been rejected with approval of CPA on account of non-extension of bid validity and in case such rejection of bid is not an incident that attracts forfeiture of bid security as per extent proviso.
 - iii. TA/CA bidder(s) who are not in contention / reckoning for award of contract after price bid opening.

- b. During bid evaluation, the proposal should also be submitted for release of bid bond/ bid security/EMDs of bidders covered under above situations.
(MM/112/2023 dated 30.11.2023)
(MM/113/2023 dated 08.12.2023)
- c. In above situations, the Competent Purchase Authority will have powers to approve release of earnest money / Bid Bond / bid security, irrespective of the type of tender or value of tender. However, concerned Level-1 Executive will have full powers in this regard.
- d. In respect of (i) to (iii) above, the onus and responsibility shall be of dealing officer/official to ensure release of EMD/bid bond/bid security to bidders within 5 days from the date of approval of CA/date of receipt of request, whichever is later.

16.5.5.1 Format for undertaking to be submitted by the bidder alongwith request for release of EMD/bid bond/bid security under para (i) to (iii) above:

"I.....(name and designation of authorized signatory) on behalf of M/s (the name of bidder) hereby request to release the bid security submitted with the offer against tender No. (tender no. to be indicated by bidder). It is undertaken that any aspect of the tender evaluation process will not be challenged before any forum / authority and the recourse allowed under the bidding conditions for representing / raising dispute will be deemed to have been foregone by M/s (the name of bidder)."

16.6 Security Deposit/Performance Security

16.6.1 Security deposit shall be furnished as per terms in the contract. The date of submission of SD/PS towards contract security shall be clearly specified in the NOA and the contractor should be asked to submit the contract Security within the specified date and that in case the contractor fails to submit the SD/PS within the stipulated date, ONGC can take action as per conditions specified in the tender.

16.6.2 The monetary limit for security deposit will be as under:

(MM/50/2019 dated 04.07.2019)
(MM/87/2023 dated 05.04.2023)

(i)	Contracts for Turnkey Project Construction / platforms.	<u>10%</u> of Contract Value.
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(ii)	<u>All type of service / Rig hiring contracts.</u>	<p><u>10%</u> of one year's contract value. (for rig hiring contracts one year's contract value shall be the Effective Day Rate based on which bids were evaluated x 365 days). In case of contracts with primary term of two or three years, the Performance Bank Guarantee / Contract Security will be obtained with initial validity for two or three years as the case may be.</p> <p>Wherever contract period is less than one year, Security Deposit for <u>10%</u> of the contract value shall be obtained.</p>
(iii)	<u>Supply of goods</u>	<u>10%</u> of order/contract value.
(iv)	<u>Rate Contract (Goods)</u>	<u>10%</u> of estimated annualized contract value

(MM/60/2020 dated 13.11.2020)

16.6.3 For purchases upto Rs. 1 lakh (other than GeM), no security deposit shall be taken. Also, for Procurement of Material / Hiring of Services from OEM/OES, Procurement through GeM (upto the value as mentioned in General Terms & Conditions available on GeM portal) and procurement of items on PAC basis security deposit shall not be taken.

(MM/109/2023 dated 30.10.2023)

16.6.4 The Level-1 officer will have full powers to relax / waive condition relating to EMD/ Security Deposit, based on merit of each case and non-incorporation in the tender document prior to inviting tender

(MM/04/2015 dated 28.04.2015)

(MM/105/2023 dated 26.09.2023)

16.6.4.1. Deleted

16.6.5 Security Deposit should be released in accordance with the terms of the GCC / SCC

- a. All concerned authorities shall ensure that details of all claims which are to be recovered from the supplier / contractor are promptly intimated to

the respective payment authority, without any loss of time, so that the claim can be recovered before releasing the pending payment(s).

- b. Details of such claims should also be forwarded to the authority who has concluded the respective purchase order / contract / rate contract and has obtained the Security Deposit. After completion of the supplies / execution of the contract, the respective authorities as mentioned below should take prompt actions in respect of the following:

- (i) In case of purchase of goods, for recovery of any claims other than discrepancies / recoveries indicated in the GRV, the respective consignee(s) [including port consignee / C&F section etc.] should forward the details of claims which are to be recovered from the supplier, to the respective purchase officer, immediately after completion of supplies against the purchase order, i.e. within 15 days after receipt of last lot of material. Even if there is no claim against a particular purchase order, the consignee(s) should forward a 'No Demand Certificate' to the respective purchase officer within the stipulated time as above. Further, in procurement of spares from foreign OEMs and also in cases where payments are made through L/C or Advance, concerned Stores formations should be more vigilant to take immediate actions for notifying such discrepancies/short supplies to the respective purchase formations, enabling them to take up the matter with the suppliers for making good the same without any loss of time.

In case of import, no demand certificate should also be obtained from T&S Office.

- (ii) Wherever installation and commissioning is also involved along with supply of the equipments, Indentor should ensure installation and commissioning within the stipulated time for the same (by keeping the site ready well before arrival of the equipment, by drawing the equipment immediately after arrival at stores and by coordinating with supplier for timely completion) and forward a copy of satisfactory installation and commissioning report along with details of outstanding claims (if any) or a 'No Demand Certificate', to the authority who has concluded the respective purchase order / contract, within 15 days after completion of installation and commissioning of the equipment satisfactorily.

- (iii) In case of centrally finalized rate contracts, for which the Contract Security is obtained centrally for the entire contract, In- charge MM of each work center should forward details of Purchase Orders placed against each of such rate contracts to the authority which has concluded the rate contract. Further, in respect of each such order which has been placed against the rate contract, In- charge MM of the work center shall send the details of outstanding claims (if any) or a 'No Demand Certificate', to the authority who has concluded the rate contract within 15 days after receipt of the last lot of material.

(iv) In case of Service Contracts, Indentor should forward details of outstanding claims (if any, which could not be recovered from the regular payments) or a 'No Demand Certificate', to the authority who has concluded the respective contract, within 15 days after expiry of the contract period.

(v) In case of LSTK contracts, in which Contract Security is obtained to cover the warranty period also, Indentor should forward details of outstanding claims (if any) or a 'No Demand Certificate', to the authority who has concluded the respective contract, within 15 days after expiry of the warranty period.

- c. In all cases, wherever the claims are to be recovered from the Security Deposit, it should be ensured that the claims with complete details are forwarded to the concerned authority(ies) well before the expiry of the validity of Performance Bond.

Under exceptional circumstances, in case where above details cannot be furnished within the stipulated time, approval of concerned Level-1 executive should be obtained by the respective authority (ies) (i.e. Consignee/In-charge MM / Indentor, as the case may be) giving full reasons necessitating additional time for furnishing 'No Demand Certificate'. Such approval should be forwarded to the concerned purchase officer / contract concluding authority for obtaining suitable extension for the validity of Performance Bond.

- d. On receipt of intimation regarding claims for recovery (if any) / 'No Demand Certificate', the concerned purchase officer / contract concluding authority shall verify whether the claims have already been recovered from the payments. After release of final payments, if any claims are outstanding for recovery, necessary action should be initiated to recover the same from the Security Deposit.

Thereafter, for the release of Contract Security (after recovering the claims if any as mentioned above), the approval shall be obtained as per provisions mentioned for release of PS in the contract.

(MM/112/2023 dated 30.11.2023)

The Competent Purchase Authority (who has approved award of contract) will have powers to approve release of PS. However, concerned Level-1 Executive will have full powers in this regard. Accordingly, necessary advice shall be issued to the concerned Finance section for releasing the Security Deposit / PS.

- e. Virtual Corporate Boards across the organization should monitor the issue of release of EMD's and Security Deposit's regularly during the review meetings.

(MM/26/2017 dated 21.06.2017) (MM/50/2019 dated 04.07.2019)

(MM/112/2023 dated 30.11.2023)

f. Invoking of Bank Guarantee / reversal of invocation of PBG or refunding the amount of forfeited PBG:

Prior approval of Level-1 executive will be obtained for invoking / forfeiting the PBG) including MCoDP level cases. The head of associate finance will be informed to invoke the bank guarantee. For Reversal of invocation of PBG or refund of the forfeited PBG/SD approval of the L-1 Executive shall be required.

(MM/78/2022 dated 10.10.2022)

~~The GST as applicable on forfeiture of Security Deposit/Performance Bank Guarantee (PBG) shall be borne by ONGC.~~

The original bank guarantee will be forwarded to concerned Finance section and only photocopies will be kept for reference with Materials Management.

The invocation/forfeiture of Performance Security/Security Deposit into be issued before 10 days of expiry of Bank Guarantee (BG). A proforma notice of invocation of BG is at Appendix-13.

FILING OF CAVEATS

The caveat(s) should be filed immediately when the decision has been taken by the competent authority to invoke the BG in the courts of CONCURRENT JURISDICTION in case there is concurrent jurisdiction in terms of Sec. 20 of C.P.C. ONGC must also ensure that the notice to the Bank for encashment of BG be delivered by authorized representative of ONGC to . the Bank who had issued the relevant Bank Guarantee.

It is imperative to take pre-emptive steps by lodging of “CAVEAT” under Section 148 A of Civil Procedure Code in the court(s) of concurrent jurisdiction where it is apprehended that contractor is likely to move an application for staying invocation of Bank Guarantee.

The filing of caveats will be done by Legal Department of ONGC. All information related to filing of caveats will be provided by concerned dealing officer.

(MM/109/2023 dated 30.10.2023)

g. Acceptance of SD/PS received after contractually allowed period

In cases where cancellation/termination of PO/contract on account of delayed submission of the SD/PS is not in the interest of organization, concerned L-1 executive shall have full powers to accept SD/PS received after the contractually allowed period, irrespective of extent of delay.

16.6.6 Verification and acceptance of bank guarantee towards Security deposit

(MM/110/2023 dated 01.11.2023)
16.6.6.1 Since e-BG will be received directly from Banks through NeSL platform, confirmation/verification of e-BG from Banks will not be required

16.6.6.2 All received bank guarantees will be checked as under:

a. Bidders/Contractors will be required to provide the details of e-BG such as Number, Date, Name of issuing bank and amount. Dealing officers can verify the details in addition to downloading e-BG through T- code code-ZMMEBGDTL.

b. The bank guarantee will be compared verbatim by concerned dealing officer with standard format of the bank guarantee. If the e-bank guarantee is verbatim with standard format, there will be no need for legal vetting. In case of difference in language, opinion of legal department will be obtained to see if such an e-bank guarantee is legally enforceable without any problem

c. –deleted–

d. Whether the e-bank guarantee is on Stamp duty Certificate (e- Stamping) of appropriate value as prescribed under the stamp act. The date and time of e-Stamping should be a date and time earlier than the date of execution of the bank guarantee. Further, bank guarantee from foreign parties need to be adjudicated in India in consultation with legal department at the cost of ONGC as per item requirement of Stamp Act.

e. Whether the factual details such as contract no., value of the contract, amount of advance/value of contract, validity of the guarantee etc. have been correctly indicated.

f. In case there are errors in the e-bank guarantee, the same should be notified to the contractor and an amendment to the e-bank guarantee should be obtained. Such amendment should also be received from bank through NeSL platform.

g. –deleted–

(MM/53/2020 dated 17.01.2020)

16.6.7. The submission of Security deposit/Performance Security via NEFT/RTGS/Electronic fund transfer to ONGC's designated account as mentioned in tender document shall also be acceptable.

16.7 Secured Advances (For Works)

(Only for Item Rate / Percentage Rate Contracts)

16.7.1 Secured Advances on the security of materials brought to site may be made to the contractors for items which are to be used on work.

16.7.2 The Engineer-in-charge can release the secured advance up to an amount not exceeding 75% of the value of the materials as assessed by the site-in-charge or an amount not exceeding 75% of the material element cost in the tendered rate of the finished item of work whichever is lower.

16.7.3 A formal undertaking should be submitted by the contractor under which ONGC secures a lien on the materials and is safeguarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials, and against the expense entailed for their proper watch and safe custody. Payment of such advances should be made only on the certificate of the site-in-charge that:

(i) The quantities of materials upto which the advances are made have actually been brought to site.

(ii) Full quantities of the materials, for which advance is to be made, are required by the contractor for use on items of work for which rates for finished work have been agreed upon.

(iii) The quality of materials is as per desired specifications.

16.7.4 Recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deductions being made whenever the item of work in which they are used are billed for.

16.7.5 Secured advance shall be granted only for non-perishable items. It can however, be granted for perishable items after the contractor indemnifies ONGC through an insurance cover (Insurance period shall be based on likely time gap in arrival and usage of material but minimum of three months). The Engineer-in-charge shall identify whether an item is perishable or not.

In line with the above, suitable provision may be incorporated in tender documents to facilitate milestone payments as above.

16.8 Fall Clause

(Applicable in case of Rate Contracts for indigenous purchases & its non-acceptance will be a rejection criteria)

16.8.1 The price charged for the items shall be in line with the standard price lists for the contractor / supplier. In case standard price lists are not available, the contractor / supplier will match the prices for any Department of the Central Govt. or any Dept. of a State Govt. or any Statutory Undertaking of the Central or State Govt., as the case may be

16.8.2 If any time, during the contract execution period, the contractor / supplier or his agent / principal / dealer, as the case may be, reduces the sale price, sells or offers to sell such materials to any persons / organisations including the purchaser or any Dept. of Central Govt. or any Dept. of a State Govt. or any Statutory Undertaking of the Central or State Govt. as the case may be, at a price lower than the price chargeable under the contract / supply order, he shall forthwith notify such reduction or sale or offer of sale to the Purchase Authority who has issued this Purchase Order and the price payable under the Purchase Order / Contract for the materials supplied after the date of coming into force of such reduction or sale or offer of sale shall stand correspondingly reduced. The above stipulation will however not apply to :

- a. Exports by the Contractor / Supplier or
- b. Sale of goods as original equipment at prices lower than the prices charged for nominal replacement.
- c. Sale of goods such as drugs which have expiry dates.

The Contractor / Supplier shall furnish a certificate guaranteeing that the price at which item / service was provided to ONGC was the best price & not higher than the price charged to other customer under similar terms and conditions.

16.9 Posting of summary of details of supply orders/contracts on website

16.9.1 Details of all contracts/purchase orders, as per Appendix 6 & 7, valued at more than Rs. 10 lakhs, awarded during a month, shall be posted on the website <http://tenders.ongc.co.in> by 5th of subsequent month by all work centers.

16.9.2 The information as per Appendix 6 is to be posted on the website, separately for the following categories:

- (a) Purchase of Capital items
- (b) Purchase of Stores items
- (c) Purchase of Spares
- (d) Charter Hire/Rate contracts
- (e) Turnkey contracts
- (f) Other contracts (including civil and electrical works etc.)

16.9.3 The following details shall also be furnished in the format at Appendix 7(a & b) for all contracts/purchase orders, valued at more than Rs. 10 lakhs, completed during the month:

- (a) Actual date of start of work (applicable for contracts only. For charter hire contracts, it is the date of mobilization / commencement of work)
- (b) Actual date of completion (for supplies as well as works)
- (c) Reasons for delay, if any (applicable for all cases).

- 16.9.4 Respective In charges-MM of all work centers shall coordinate and ensure that all the fields required for the report in the ICE System will be filled up by the departments concerned, in respect of all tenders.
- 16.9.5 With the data thus updated, Chief MM will execute a centralized report for the entire organization before 5th of every month which will be downloaded in HTML format and thereafter forwarded to Corporate Communication for publishing on the website <http://tenders ONGC CO IN>.
- 16.9.6 Further, while placing PO/Contract in the system, correct tender process should be selected from the available options so that all cases including single tender-nomination cases, posted on tender website, are appropriately highlighted in the report.
- 16.10 Reporting of nomination cases**
- (MM/25/2017 dated 08.06.2017)
(MM/112/2023 dated 30.11.2023)
- 16.10.1 All Works including Purchases, Services and Sales awarded on nomination basis above Rs. one crore should be reported to the Board for information. The cases shall include those approved by the Level-I Executive under the Key Executives or respective Key Executive or CoDP or MCoDP. Details on all such cases are to be furnished to CPO through SAP T-code ZICE_NOM_DATA for compilation and submission of agenda to the MCoDP for appraisal. After apprising MCoDP, then the cases shall be reported to the ONGC Board by CPO for information on Quarterly basis. The information on the cases pertaining to each Quarter should be furnished latest by 7th day after completion of the Quarter, for timely submission to the Board.
- All Works including Purchases, services and Sales awarded on nomination basis above Rs. 10 lakhs and up to Rs. 1 crore shall be reported to the MCoDP for information.
- The quarter-wise details of these cases furnished by work centers through SAP T-code ZICE_NOM_DATA shall be consolidated by CPO and put up for consideration of MCoDP.
- 16.10.2 All Works including Purchases, Services and Sales awarded on nomination basis up to Rs.10 lakhs shall be reported to the concerned Director. The respective Key Executive shall ensure to report any such nomination cases to the concerned Director on Quarterly basis. The Quarter-wise details of these cases reported to concerned Director shall also be furnished to CPO for record.
- 16.10.3 The concerned Key Executive should also send a copy of the report to Director (Finance), Internal Audit Heads and CVO. Even for the quarters during which no nomination case has been carried out, all Key Executives should invariably send a 'NIL' report to Director (Finance) and CVO.

Further for cases above Rs 1 crore, a copy of the Board Agenda prepared by CPO should be sent to CVO.

16.10.4 The following additional information should also be furnished while reporting the nomination cases:

(i) Whether the requirement is of regular/continuous type or is for a specific purpose.

(ii) If the requirement is of regular/continuous type, then the status of processing of the fresh tender for regular requirement.

(iii) Whether reasonability of the price was ascertained for the respective contract awarded on nomination basis.

(iv) Further, photocopy of the relevant note sheets containing detailed justification and the administrative approval of the competent authority for award of contract on nomination basis should also be invariably appended while reporting the cases awarded on nomination basis.

(MM/51/2019 dated 17.10.2019)

(v) Delay analysis w.r.t. processing of the regular tender(s), wherever the nomination case was awarded due to delay in finalization of the regular tender.

16.10.5 The format available at Appendix 8 shall be utilised for reporting purpose.

(MM/04/2015 dated 28.04.2015)

16.10.6 Purchase of spares / repairs through OEM / OES and Purchase on PAC basis will not be treated as purchase on nomination basis for reporting purpose.

16.11 Change in Name/Address of the firms in ICE System

16.11.1 Requests for change in Name/Address of any firm should be forwarded to Centralized Vendor Cell at Dehradun along with a certificate to the effect that the change in name and address has been proposed on the request of the concerned firm and all the related documents provided by the firm have been carefully examined and found in order. As regards the request for change in name of the firm is concerned, the same should be got vetted from the Legal Depts. of the Work Centre

16.11.2 In case the request is forwarded by MM Sections aforesaid certificate should be issued by concerned I/c-MM. For cases pertaining to other sections, the said certificate should be issued by the concerned L-3 level officer.

16.12 Training/visits of ONGC executives against purchase of equipments/services

- 16.12.1** The provisions for training in the premises of the manufacturer should normally not be incorporated in the tender/contracts. The training, if any should be provided by the Contractor/manufacturer at ONGC's Work Centre during installation and commissioning or as a part of the technical support

(MM/29/2017 dated 21.11.2017)

(MM/109/2023 dated 30.10.2023)

- 16.12.2** Only in cases where new equipment are being procured for the first time in ONGC and ONGC officials are not conversant with the operation/maintenance of such new equipment, training to ONGC officials may be incorporated in the tender while purchasing such equipment, with the approval of the concerned L-1.

- 16.12.3** In all cases where BEC so approved stipulates provisions for training of executives, the bidders will be asked to indicate separately the cost of training to executives at abroad/in India and same shall be considered for evaluation purpose.

- 16.12.4** The proposal, with full justification, during finalisation of the tender, will be submitted by concerned key executive for approval of the Chairman for training to our executives abroad with following details:-

(i) Value of the new equipment/services, number of officers to be deputed and cost of training of officer(s).

(ii) Number of years the officer(s) have been in the previous assignment and their likely deployment in the next assignment.

(iii) Qualifications, age, date of joining ONGC and any medical disability

(MM/29/2017 dated 21.11.2017)

- 16.12.5** Necessary provisions relating to training of executives as per 16.12.3 above will accordingly be made in the tender/contract conditions.

16.12.5.1 Issuance of Form-C

In order to avoid unnecessary hardship to the vendors, all concerned should ensure that Central Sales Tax C-Forms are issued expeditiously to the suppliers as per the terms of PO/contract.

16.13 Customs/Excise Duty related issues

16.13.1 Deemed Export

(MM/15/2016 dated 05.07.2016)

- 16.13.1.1 The purchase of specified goods from domestic supplier/manufacturer for petroleum operations in PEL/ML in nominated blocks or NELP/other eligible blocks under the procedure of ICB is covered under deemed export at para 7.02(f) read with para 7.03 under Foreign Trade Policy (FTP 2015-20) in vogue. Accordingly, the supplier is eligible for exemptions from payment of excise duty under Sl. No. 336 of Central Excise NN 12/2012-CE dated 17th March 2012 (as amended) and other deemed export benefits available, subject to condition that ONGC should provide Recommendatory letter to DGH for issuing certificate that goods are essential for petroleum operation.
- 16.13.1.2 The supplier/manufacturer is also eligible for import of raw material for manufacturing of such specified goods subject to condition that ONGC issues Project Authority Certificate (PAC) which should indicate value of such material as per contract and its import component as declared by supplier/manufacturer in PAC (Appendix-27 of FTP).
- 16.13.1.3 PAC can also be issued to contractor with the name of subcontractor (s) ,. In such case the name of sub contractor (s) (manufacturer) and the item to be supplied by him along with import content should also be mentioned in the contract
- 16.13.1.4 In order to avoid misuse of items imported by domestic manufacturers against our Project Authority Certificate, all concerned will ensure that details of items to be imported by successful domestic bidder for manufacturing equipment for supply to ONGC are invariably incorporated in supply order/contracts).It will further be ensured that the value of such imported items does not exceed the foreign exchange component indicated by the domestic bidder in his bid.
- 16.13.1.5 Further, In the interest of avoiding hardship to the concerned party, 'Project Authority Certificate' will be sent along with detailed supply order

16.13.2 Availing 'CENVAT credit' by plants, assets and services

- 16.13.2.1 TC must deliberate on admissibility of 'CENVAT Credit' in every case and wherever admissible, 'CENVAT Credit' should be availed by ONGC.
- 16.13.2.2 ONGC is engaged in producing both exempted and dutiable goods. Crude Oil and Natural Gas produced by ONGC are exempted from payment of Excise Duty. Whereas, Excise Duty is leviable on some of the other Value Added Products (VAPs) produced (from the condensate) at various plants (viz. Uran/Hazira/Ankleshwar etc.) On these dutiable goods, ONGC can avail 'CENVAT credit' in terms of following provisions of CENVAT Credit Rules:

- i. As per Rule-6(3A), manufacturer engaged in production of both exempted and dutiable goods and opting not to maintain separate books of accounts, credit of tax on inputs shall be availed proportionately based on turnover of dutiable goods to total turnover of goods (exempted plus dutiable). Accordingly, the plants (viz. Uran/Hazira/Ankleshwar etc.) which produce both exempted and dutiable products can avail CENVAT credit of duty/ tax paid on input and/or input service received in the plant in proportion to turnover of dutiable goods to total turnover of goods(exempted plus dutiable). As regards Western Offshore, the Assets and Services can avail 'CENVAT credit' and distribute the same to the plants (viz. Uran/Hazira), for utilization against payment of Excise Duty.
- ii. According to Rule-9, the manufacturer can avail 'CENVAT credit' of Service Tax on the basis of invoice issued by Service Provider (Contractor) under Rule-4A of Service Tax Rules-1994.

(MM/10/2016 dated 23.03.2016)

16.13.2.3 – Deleted -

16.13.3 Availing of zero customs duty benefit

16.13.3.1 The instructions listed hereunder should be meticulously followed to avail Zero Customs duty benefit:

- (i) The Sections responsible for issue / renewal of PELs / MLs should intimate all concerned indentors as and when the PELs / MLs are issued / renewed.
- (ii) The indentors should furnish relevant information regarding availing of Zero Customs duty in case of eligible PEL/ML areas while forwarding the indents to concerned MM Sections.
- (iii) The MM Sections must clearly indicate eligibility for availing Nil Customs duty in all relevant tenders and Supply orders so that the aforesaid benefits are availed by the T&S office.

16.13.4 Monitoring of goods imported against zero customs duty

(MM/04/2015 dated 28.04.2015)

(MM/15/2016 dated 05.07.2016)

16.13.4.1 As per SI No. 357A of Custom Notification No. 12/2012-Cus dated 17.03.2012 (as amended by N/N 12/2016-Cus dated 01.03.2016), import of specified goods (List 34) required for petroleum operation in PEL/ML in nominated blocks or NELP/other eligible blocks are exempted from customs duty. Each work center shall ensure that materials procured against Essentiality Certificate are not used for the purpose other than petroleum operations under nominated or NELP/ other eligible blocks.

16.13.4.2 As per SI. No. 357 of Custom NN 12/2012-Cus (as amended) the import of parts and raw materials for manufacture of Goods under Customs Bond (section 65 of Customs Act) to be supplied in connection with the purposes of offshore oil exploration or exploitation is exempted from payment of customs duty, subject to submission of essentiality certificate from DGH.

16.13.4.3 – Deleted -

16.13.4.4 All imports and import clearance under the contract shall be done by the bidder and ONGC will not provide any assistance in this regard.

(MM/15/2016 dated 05.07.2016)

16.13.4.5 Notwithstanding what is stated above, the bidders should also consider the position in regard to import of goods as specified in list No. 34 of above notification against zero Customs Duty. ONGC is not liable in whatsoever manner, for the rejection of their claims for zero Customs Duty by any of the authorities including the DGH.

16.13.4.6 The recommendatory letter will be given only for those items which are either consumed during the execution of work or for those equipment/tools which are undertaken to be re-exported by the bidder. The recommendatory letter will not be issued when the bidder imports the equipment/tools on acquisition basis and does not undertake to re-export the same after the completion of the contract

16.13.4.7 Central Excise Act: The Exemption/refund of central Excise duty is available under para 8.3 (c) read with para 8.2(c) on the strength of EPCG License provided by ONGC. However specific confirmation from ONGC is required in each case.

16.13.4.8 As per clarification, Govt has allowed the transfer of imported goods from one eligible project to another project, subject to certain safeguards to prevent any misuse of this facility. In this regard, notification No. 28/2013-Customs, dated 16th May, 2013 provides as under for the transfer of equipment/goods for petroleum operation from one eligible PEL/ML to another:

(i) A certificate from Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India, to the effect that the said goods may be transferred in the name of another sub-contractor of the licensee or another licensee or a sub-contractor of such licensee (hereinafter referred to as the 'transferee') and that the said goods are required for petroleum operations to be undertaken under eligible petroleum exploration or mining leases;

(ii) Undertaking from the transferee to comply with all the conditions of the notification, including that he shall pay duty, fine or penalty that may become payable, if any of the conditions of the notification are not complied with by himself, where he is the licensee or by the licensee of the transferee, where such transferee is a sub-contractor;

(iii) a certificate, in the case of eligible PEL/ML, that no foreign exchange remittance is made for the transfer of such goods undertaken by the transferee on behalf of the licensee or lessee, as the case may be: Provided that nothing contained in this sub-clause shall apply if such transferee is an Indian Company or Companies.

(MM/15/2016 dated 05.07.2016)

In view of above clarification, Govt has allowed transfer of imported good from one eligible blocks to another without payment of custom duty under para (d) of Conditions No. 40A of Sl. No 357A of Notification 12/2012-Cus (as amended vide N/N 12/2016-Customs dated 01.03.2016) for petroleum operation. In this case, the contractor needs to provide documents as specified under para (d) of Condition 40A to the jurisdictional Customs before such transfer where there is change in Licensee or Contractor. Further, Contractor should get the undertaking given by ONGC at the time of initial import duly released from customs and submit to ONGC as a proof of compliance.

Non compliance of these provisions will be treated as breach of contract. Further, ONGC shall intimate Custom, DGH regarding completion of the subject contract and non export of the equipments and also forfeit their performance bond..

16.13.4.9 Central Sale Tax (CST) Act : Under section 8 of CST Act, concessional rate of sale tax on interstate sale of goods required for use in mining or for use in manufacturing is available subject to ONGC provide 'Form C' to the contractor. Bidder to provide value of material to be procured on interstate sale basis in Bid , However, detail list of such material (limited to the value of interstate purchase provided in the bid) can be provided subsequently which shall form part of contract..

In case Indian supplier is not a manufacturer and purchasing goods from a registered dealer located outside the state of use, ONGC can avail the benefit of E1-E2 transaction by issuing Form C to the contractor.

16.13.4.10 Compliance of Section 6A of CST Act 1956.

In accordance with the provisions under Section 6A of CST Act, 1956, in case of interstate transfer to goods, if the transferor claims that he is not liable to pay CST on an interstate movement of goods due to the reason that it is not sale and the goods have been transferred inter-state to any other place of his business, then he has to produce Form F to his assessing authority duly signed by an officer of his other place of business failing which movement of such goods shall be deemed for all purposes as sale leviable to CST.

Hence, following guidelines in case of interstate movement of goods from one installation of ONGC to other or for job work or repair at third party's premises / workshop, should be followed:

- (i) The blank form-F shall be obtained by the transferee (i.e. goods receiving party) from sales tax authority in which the transferee is situated.
- (ii) Complete details of the material that have been received by the transferee of goods shall be indicated in the appropriate column of the Form-F. If space in F form is not adequate, a separate list may be firmly attached as annexure to form F giving details.
- (iii) The transferee of goods may issue a single consolidated declaration for the transfer of goods made by the concerned transferor work center during one calendar month.
- (iv) The declaration may also be given by way of annexure where there are many transfers made during the month.
- (v) The declaration in the aforesaid Form-F shall be got certified by the transferee from their jurisdictional sales tax authority and shall be forwarded to the transferor work centre after receipt of goods.
- (vi) The declaration in Form-F must be submitted to the jurisdictional sales tax department of the transferor work centre within three months after the end of the period to which the declaration pertains to.
- (vii) In cases where interstate transfer of goods are for purely job work where material are not used, and the service provider is not in position to issue "Form-F", the transferor work center should substantiate to the sales tax authorities by providing them transport documents (outward and inward delivery challans) that the movement of goods were not by way of sale.

16.14 Submission of integrity pact and other documents by bidders

(MM/109/2023 dated 30.10.2023)

- 16.14.1.1 IP will be applicable for all tenders valuing above Rs 1 crore only. In a case of procurement of goods from OEM decided that, in respect of cases pertaining to procurement of material/hiring of goods and services from OEM/OES/PAC basis, in case bidder does not agree to submit the Integrity Pact inspite of making all out efforts, then dispensation from the requirement of submission of Integrity Pact in such cases can be considered with the approval of the concerned L-1.

16.14.1.2 IP will be executed on plain paper, irrespective of whether it is from foreign or Indian bidders.

16.14.1.3 Submission of incomplete IP documents with the tender should not lead to disqualification of the bidder. Such vendors should be asked to comply to all IP guidelines subsequently.

(MM/116/2023 dated 27.12.2023)

16.14.1.4 In cases of submission of IP without being properly signed by the authorized signatory or non-submission of IP in either manual tender or in e-procurement (where scanned copy is to be uploaded along with Techno-commercial bid) bidder(s) may be asked to submit original copy of IP in physical form (in manual tender) or scanned copy of original IP (in e-procurement) as deficient documents as per provisions of the MM Manual regarding seeking clarifications/submission of deficient documents by bidder(s). However, in case bidder(s) do not submit these documents, then such bids should be rejected.

16.14.1.5 Offers violating any of the provisions of the Integrity Pact should be rejected, without considering them for any relaxation/dispensation from the provisions of Integrity Pact. In exceptional circumstances, if it is considered essential to grant any relaxation/dispensation to the provisions of IP to any bidder, the issue should be referred to IEMs for their expert opinion on whether such relaxation/deviation can be accepted or not.

Note:

- (a) Curriculum Vitae of Independent External Monitors (IEMs) shall be placed permanently on the home page of ONGC's website www.tenders.ongc.co.in
- (b) The proforma of Integrity Pact shall be incorporated in the tender documents. The Integrity Pact shall be initially signed by an officer at the appropriate level (same as the level at which the contract for execution of supply order/work is to be signed, based on the estimated value of the tender). The same shall have to be returned by the bidder (along with technical bid), duly signed by the same signatory who signs the bid, i.e. who is duly authorized to sign the bid as per the Instructions to Bidders stipulated in the tender documents. All the pages of the Integrity Pact shall be duly signed by the ONGC's and Bidder's signatories.
- (c) The process for appointment of External Independent Monitor(s) shall be similar to Outside Expert Committee (OEC) and the C&MD of ONGC shall be the appointing authority.

~~(MM/03/2015 dated 15.04.2015)~~

(MM/11/2016 dated 05.04.2016)

(MM/112/2023 dated 30.11.2023)

- 16.14.1.6 Work Centers should not themselves ignore the advice of IEMs that are recorded and submitted by the IEMs to the work centre on various issues. In the event any of the advice of IEMs cannot be accepted, the case should be put up to MCoDP for its approval by the Work Center with full justification for the same.

In the interest of transparency, opinion of IEMs should be shared with the complainant. After receipt of the opinion of IEMs, CPO shall share the operative part of the IEMs opinion alongwith the conclusion part with the complainant. It may also be informed to the complainant that opinion of IEMs is non-binding in nature.

- 16.14.1.7 Bidders who have not submitted the POA should not be outrightly rejected. In such scenario, bidders may be asked to submit original POA as deficient document as a clarification as per laid down MM procedure. Further, non submission of POA after the final round of clarifications should lead to rejection of the bid. However, it should be ensured that the POA is given in the name of same person who signed the bid.

- 16.14.1.8 Purchase through full-fledged purchase formations

The officers of MM discipline who are attached to indenting section(s) to look after their stock functions should not carry out the purchase themselves.

- 16.14.1.9 Record and distribution of the communications /files received in MM Department through Dak system.

Utmost care should be taken to properly record and account for the communications received from various sources during tender processing. Further, in all e-procurement cases, clarification to be sought from the bidders or any other correspondence with bidders related to e-tenders should be uploaded on e-procurement portal and it should be insisted that bidders should submit their responses through e-procurement portal only avoiding submission of physical documents, unless the response necessitates submission of documents in physical form.

(MM/04/2015 dated 28.04.2015)

16.15 Accounting of Capital items.

- 16.15.1 Normally the officer to be declared as indenting officer for capital items should be Sectional Heads not below E-4 level. In case officer of E-4 level is not available, next junior officer will be declared as authorised indenter for assets control.

- 16.15.2 The authorised indenter will ensure maintenance of proper records for capital items received and distributed to actual users. In the event of transfer

or retirement from service of ONGC of any officer/official, it must be recorded in 'No Objection Certificate by the concerned authorised Indentor that such officer has handed over the charge of the assets in his name and entry has **been** made accordingly in the records. Before issuing Clearance of dues of such officer(s) it shall be ensured that above requirement has been fulfilled by the concerned authorised Indentor.

(MM/27/2017 dated 21.06.2017)

16.16 Deputation of ONGC personnel on foreign tour:

Where, after having approval of Competent Authority, ONGC's personnel are deputed on foreign tour, a provision is to be made in the supply order/contract that no service/hospitality in any manner whatsoever is to be provided by contactor / supplier and their associates directly or indirectly to ONGC personnel(s) so deputed. The ONGC personnel(s) before, deputation on foreign tour will be required to give an undertaking (as under) to the concerned authority:

Undertaking of officer going abroad on official business/inspection

I, _____, Designation _____ CPF No. _____ working as _____ at _____ am eing deputed to inspect the material _____ Details of the Company _____ before dispatch.

I do hereby give this undertaking to ONGC that I shall not avail any facility / hospitality of the Company _____ during this tour. I shall be personally liable for any violation of this policy on this account.

Name _____
Designation _____
CPF _____

17 Vendor Management

17.1 Registration

- 17.1.1** Suppliers / Contractors should be given the opportunity to register as an ONGC vendor. They will be provided with a login id and password on an ONGC document portal.
- 17.1.2** Each vendor can select from a list of items / services which it wants to supply and also a list of locations where they are going to deliver those items/ provide those service.
- 17.1.3** The document portal will include provisions to upload standard documents. Standard financial documents (e.g. income statement, cash flow statement) can be uploaded by the vendor once a year or whenever they are changed (financial year / other time period of change) and are used as an input to any tenders throughout the year.
- 17.1.4** In addition, the document portal will also include provisions to include technical documents (PO's etc.) of a specific category / item /service. This will also be updated by the vendor as and when required depending on the specific tender they want to apply to and also depending on the validity of the document. For the same item category, the documents can be taken from the document portal rather than asking from the vendor on each occasion.
- 17.1.5** In addition, each document should have a provision for verification- if a specific document (financial, commercial or technical) has been verified once by a TC team and the respective Level-1 authority, the MM representative of the specific TC can put an online verification for the document making it usable for all other subsequent tenders for the same category / item / service under the same category team in the future by other users (for as long as the document is valid and can be used). These verified documents, whenever they are still valid (based on timeline) should be used across ONGC for evaluating of tenders.
- 17.1.6** If a particular document has been evaluated by any work center, same can be downloaded from vendor's submitted bids for other tenders at work center, he has to indicate the same in the bid .In such cases the documents may not be asked again from the vendor.
- 17.1.7** In case a document has not been deemed approved, provision should be present in the system to remove the document from the portal and notify the vendor accordingly.

(MM/61/2020 dated 02.12.2020)

17.2 New vendor development through development order process (Development Order Policy)

17.2.1. Responsibility of Development Order Process:

Development order process will be without linking to a regular tender. In order to have better management, reporting and smooth development order process, the development orders will be processed in centralized manner by INDEG group with the support of Corporate Technical Services and Corporate MM.

As Development order without linking to regular tender will require independent budget, the Budget provision for Development Order shall be kept centrally with INDEG. Expenditure will be ultimately booked to work centre identified for field trial testing of items supplied against development order. INDEG shall be responsible for complete process starting from preparation of Purchase requisition to placement of Development Order including post contract issues, if any etc. INDEG shall also be responsible for activities that include co-ordination between vendor & concerned work centers for (i) Inspection of material (ii) Arrangement of QCC reports to work centers (iii) Ensuring earliest field trial by concerned work centers. Work center shall be responsible for activities of receipt of material and field trial testing.

The Development Order Policy (DOP) shall be adopted for Capital Equipment, general spares of equipment and stores items (including chemicals). Development Order, for the time being, shall not be undertaken for works contracts / LSTK contracts. The development order for services may be processed as per Para 17.2.3 below.

17.2.1.1. The **inspection function is required for:**

- Inspection of facilities of vendor including workshop, type of machines, capacity, load test of machines & capability of vendor.
- To decide composition of any propriety material, being developed by vendor.
- Stage inspection of a particular item, being developed first time in India.

As Development order involves lot of checks with regard to facilities of the vendor and also other aspects, which are not normally required in case of a developed source, the responsibility of inspection as per scope in case of development orders will be of a competent TPI which should handhold ONGC QAD to enable them to subsequently takeover the job independently. Services of TPI agencies already empanelled with ONGC will be used. The appointment/engagement and payment of TPI Agencies will be done by ONGC in line with guidelines in vogue for regular cases.

17.2.2. Development order for Goods:

The list of suitable items for development orders, shall be identified by INDEG in consultation with Corporate Technical Services and work centres. The list and any review/additions/deletions therein shall be carried out by INDEG along with Corporate Technical Services. List of items for development order may be reviewed periodically as per requirement.

The above list of items for seeking request for placement of development order from probable domestic manufacturers will be published on the ONGC tender site “www.tenders.ongc.co.in” and the link for the same shall also be provided on the login page of e-tender website. Along with the list of items, INDEG will also upload the process of development order and other necessary details including technical specification for information of the vendors.

The interested vendor(s)(Indian manufacturers only) seeking development order will send their request (categorically indicating the item(s) from such list for which vendor is seeking development order) to Head INDEG at the e-mail id as designated for this purpose on ONGC tenders website alongwith the supporting document in respect of their existing manufacturing facility, capability to manufacture the item for which they are seeking development order (e.g. details of existing manufacturing facility including machinery/equipment, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate, Manufacturing License, if any etc.).

Request of indigenous manufacturers for development order for any other item may also be considered for examination and development order process.

Besides publishing list of items identified by ONGC for placement of development orders, vendors may also suggest the items in use by ONGC which they can develop and supply.

17.2.3 Development order for Services:

Wherever it is feasible to award a development order for smaller quantities/period and low risk is involved in execution of development order, processing of development order for oil field services shall be allowed. In line with development of vendors for procurement of goods, development of vendors for services (especially those services which are required by multiple work centers and services which are required in the high tech areas) shall also be done by INDEG in association with Corporate MM.

The request of indigenous service provider for development order for Oil field services may be considered for examination and development order process.

The interested vendor(s) (Indigenous Service provider only) seeking development order may send their request to Head INDEG at the e-mail id as designated for this purpose on ONGC tenders website alongwith the supporting

document in respect of capability to provide such services for which they are seeking development order (e.g. existing facility, Udyog Adhaar Certificate/Udyam Registration Certificate, GST Registration Certificate etc.).

17.2.4 **Expression of Interest (EOI):** INDEG in consultation with Corporate MM may also periodically publish EOI for Development Order in ONGC Tender website for wide publicity & will make efforts in identifying the probable vendors through industry insight reports/contacts.

17.2.5. **Factory/Facilities inspection:** Subsequent to examining the request of the vendor for development order, ONGC after being prima facie satisfied that such domestic vendor (manufacturer/service provider) has Basic Capability to develop the item/provide the service, inspection of the factory/facilities will be carried out by Technical Team of ONGC (consisting of representative from QAD, INDEG, User and Authorized TPI of ONGC, if required). In case, factory/facilities inspection has already been carried out by ONGC earlier, then inspection of factory/facilities again may be waived off.

17.2.6. **Formal Enquiry:** After satisfactory inspection of their factory/facilities and ascertaining their capability to manufacture the item/provide the service, formal enquiry along with ONGC tender conditions shall be issued through ONGC e-procurement-portal to such vendor seeking their quotation along with following terms and conditions:

i) Quantity (and/or Scope of Services): As deemed necessary by ONGC to carry out field trial testing.
[To be decided by INDEG in consultation with work center and Corporate Technical Services]

ii) EMD: Not required.

iii) Rates for Order placement: Rates quoted by the vendor or the rates at which ONGC has placed the latest order for the same item/service of same technical specifications/scope of work, whichever is lower.

If any item/service being offered is not exactly the same as that of LPR, contract may be awarded after ascertaining reasonability of rates.

iv) Payment(Goods): 50% payment will be made after receipt of material at work center after prior satisfactory inspection and balance 50% will be made against the satisfactory performance certificate issued by ONGC after field trial testing.

Payment (Services): On case to case basis. INDEG will decide payment terms on milestone basis.

v) Delivery/Completion Period: As quoted by bidder and mutually agreed between bidder and ONGC.

It should be at the discretion of ONGC to grant time extension, if any, required to complete the development order.

(MM113/2023 dated 08.12.2023)

[The extension may be granted by CPA without PEC. However, L-1 shall have full power in this regard. Any extension beyond 6 months shall only be considered if there are rational / compelling reasons for the same].

vi) PBG: Nil (No Performance bank Guarantee/Security Deposit shall be required).

vii) Liquidated Damages: Nil (Liquidated Damages shall not be applicable.)

viii) Terms and conditions: Except otherwise mentioned above, ONGC standard terms and conditions shall apply.

ix) Inspection (applicable for Goods) and Field Trial Testing: Quality Assurance Plan shall be developed by vendor, covering inspection & field trial testing both. **Quality** Assurance plan will be approved by INDEG in consultation with QAD. Inspection to be carried out by 'a team consisting of representative of QAD, TPI (if required) and INDEG.' Stage wise inspection, if required, may be done to ensure overall quality control. Inspection authority to be decided at the time of placement of order. After Satisfactory inspection, field trial testing will be carried out by the user. The duration of field trial shall be decided by ONGC.

In case of services also, inspection (wherever required) and Field Trial Testing will be carried out in the same manner.

x) A development order shall be considered as executed and the respective bidder shall be considered as developed / proven source only after satisfactory inspection and field trial testing and issuance of a certificate by Head INDEG.

xi) Development order shall be awarded subject to compliance of technical specification/scope of work, tender conditions including General Terms and Conditions.

xii) Vendors (bidders) may be informed that mere applying for development order and subsequent successful inspection of factory/facilities by ONGC, does not qualify any vendor for any assured development order(s) from ONGC.

xiii) Vendors may get their Chemical samples tested at ONGC labs on payment basis before/during development process. Wherever testing of chemical samples in ONGC labs is required as a part of inspection or sampling/bonding by ONGC, testing charges shall be on ONGC's account.

xiv) Notwithstanding the above provisions, successful development and or supply to ONGC thereof does not guarantee the vendor any assured order(s) from ONGC.

17.2.7. Restriction on no. of development Orders:

Only one development order will be placed on a vendor at a time. On its successful development, the vendor may be considered for development order for other item (but one at a time) in case it applies for the same. However, any exception to this can be allowed in case it is manageable by the vendor concerned, with the approval of the CPO.

Not more than 3 Development Orders will be placed on different vendors (manufacturers)/service providers for the same item/service at a time (including development orders under execution).

17.2.8. INDEG will also provide all technical assistance to vendors, wherever required.

17.2.9 Priority/initial application of developed products/services should be in low risk area.

17.2.10 In case the bidder has satisfactorily executed development order (i.e. including satisfactory inspection and Field Trial Testing) for similar items/services in the past in ONGC/OIL, then the bidder does not have to satisfy experience criteria of BEC in ONGC. However, ONGC will reserve right to change this policy anytime in future.

As OIL also uses items/services similar to ONGC, any product/service developed in OIL shall also be considered as proven source.

17.2.11 **Development Order, R/C for Spares:** Any vendor (Indian manufacturer) who want to develop generalised spares may be given opportunity to develop the generalised spares through development order process. Generalised spares once developed, can be purchased by work centre directly from the developed source(s). If required, rate contract can also be finalized for procurement of generalised spares with such developed source(s). Such developed vendor will be considered at par with OEM and the provisions applicable for OEM shall apply for Purchase of developed spares directly from such vendor.

17.2.12 **API license/monogram:** Requirement of API license and/or API monogram is part of Technical Specifications for some items. If domestic vendor(manufacturer) do not have the requisite API license and requests to allow them to develop items without API License/monogram, INDEG in consultation with user Dept. may take a decision to allow the vendor to develop item without API license/monogram, except for down-hole equipment, tubulars, critical handling tools and well control equipment etc. Inspection of the items will be done as per API Standards. Due caution and care shall be exercised while allowing the vendor to develop item without API license/monogram. However, while participating in regular tender, such developed vendor should have valid API license as per requirement of the tender.

- 17.2.13 Action like initiating the banning process or putting the vendor on Holiday for regular tenders will not be taken for non-execution of development order, however such vendors will not be considered for any other development order for a period of one year. The list of such vendors shall be maintained by INDEG along with period for which they will not be considered for any other development order.
- 17.2.14 Powers for placement of development order will be as per BDP. For clarity, existing provisions on reporting of nomination cases as stipulated at para 16.10.6 of IMMM shall not apply on development order process as this process is meant for development of vendor, which is different from procurement through nomination tender.
- 17.2.15 In view of above, suitable conditions shall be incorporated in RFQ for Development Order.

17.3 Vendor Empanelment

(MM/70/2021 dated 24.08.2021)

- 17.3.1 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.

For the services/LSTK Contracts, wherever consortium arrangement is allowed, Vendor empanelment process will not be carried.

Vendor empanelment process will not be applicable for services, where QCBS or least cost selection criteria is required to be followed.

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).

(MM/112/2023 dated 30.11.2023)

- 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 CPO.

- 17.3.3 Deleted (MM/112/2023 dated 30.11.2023)

- 17.3.4 Vendor empanelment will be for a period of 3 years.

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.

(MM/112/2023 dated 30.11.2023)

17.3.5 Empanelment of vendors for any item/service, will be done by Central RC & Empanelment Procurement Group under CPD

These empanelled vendors will be utilized subsequently by all the work centers of ONGC for inviting limited tender for these items/services.

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 CPO.

17.3.6 Methodology for Empanelment and subsequent award of order after finalization of requirement/ scope of work:

- 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.

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.

- II. Criteria for short-listing of Bidders for empanelment shall be techno-commercial only, which is as under:
 - a) Technical Capabilities of the bidders will be evaluated in line with requirements of Technical BEC to be framed on case to case basis.
 - 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:
 - (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.

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.

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.

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.

No EMD will be required for empanelment of vendors.

- 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.

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.

- 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.

- 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.

(MM/112/2023 dated 30.11.2023

(MM/113/2023) dated 08.12.2023---para modified

- 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. However, for all the intermediate steps prior to final recommendation for empanelment of vendors such as invitation of tender, approval of BEC, seeking clarification from bidders etc, CPO shall have full powers.
- 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.
- 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 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.
- 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.

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.

(MM/112/2023 dated 30.11.2023)

- 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.

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 **concerned L-1**. The said competent authority shall also be vested with the power to appoint the Enquiry Officer for conducting enquiry.

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.

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.

This limited tender enquiry shall mainly consist of the following:

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.
3. Power of attorney.
4. Integrity Pact
5. Back-up authority letter from manufacturer (In case of materials).
6. Acceptance of General terms & conditions modified subsequent to

empanelment.

7. Details regarding various purchase preference policies, if any.
8. Documents with regard to Financial Criteria, if applicable.
9. Undertakings/Declaration w.r.t. banning and confirmations for submission of genuine documents etc.
10. Any Certificate such as API, BIS, ISO (if applicable) pertaining to an items/services having specific validity.
11. Price bid.
12. Any other documents considered necessary by the work center

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.

- X. Post Contract issues after award of order shall be handled by work centers placing the order.

17.4 Vendor Appraisal

17.4.1 Vendor appraisal should be conducted for all vendors

17.4.2 Vendor appraisal will be carried out at two stages – tendering and order/contract execution. Thus the vendor who is awarded the contract will get two separate ratings, one for performance during tendering phase and second for performance during order/contract execution stage. All the other vendors who participate in the tender but are not awarded the contract or withdraw from the process midway will be given one rating only for performance during tendering phase.

17.4.3 Vendor appraisal will be used for the purpose of vendor selection for subsequent steps and also for the purpose of determining if empanelled vendors need to be de-empanelled.

17.4.4 All vendors will have two types of ratings (tendering and contract execution) which will be recorded. These Vendor ratings shall be included as technical criteria for evaluation of the bid in the next tender in the same category / item / service.

17.4.5 In addition, in QCBS bids, appropriate weights can also be assigned to vendor ratings to make the selection criteria more stringent. Separate weights shall be assigned to tendering rating and execution rating.

- 17.4.6 For first time new vendors, a rating of 7 will be allocated to them for both bidding and execution. This original rating will be used till the vendor has at least 3 ratings from which average can be taken.
- 17.4.7 Subsequent to their first tender participation, newer tendering rating will be compiled as $(2/3) * 7 + (1/3) * \text{rating 1}$. Similarly after their first delivery / project completion, newer execution ratings will be compiled as $(2/3) * 7 + (1/3) * \text{rating 1}$
- 17.4.8 After the completion of the second tender/ project / delivery, newer ratings are compiled as $(7 + \text{rating 1} + \text{rating 2}) / 3$.
- 17.4.9 For vendors who are returning after holiday/ banning, the last vendor rating for the vendor in the system will be used.
- 17.4.10 For vendors who have not been selected for any project in the last 2 - 3 delivery cycle for the item, there last rating in any bid will be used as a rating any subsequent bids
- 17.4.11 Vendor Rating process
- a. For each activity after the notification period, adequate times should be defined.
 - b. After award of contract, timelines for all the project milestones along with net value impact (value preferably in terms of Net Present Value or any other proxy to incorporate milestone criticality along with milestone payment) are defined. Subsequent measurement of vendor performance happens on the basis of delivery in full against these timelines.
 - c. Vendor rating needs to be performed at 3 levels
 - i. For each milestone of a tender/project, performance of vendor is measured against delivery milestone
 - ii. For each tender/project, performance across all milestones are measured and combined using a measure of impact (NPV impact or criticality to overall project) to get an overall score for the entire tender/project
 - iii. For getting a final vendor rating which is a combination across multiple tenders/projects, average of all vendor ratings across different tenders/projects is taken for a time period which is equal to 3 times the standard delivery time for a contract in the specific category, item or service or 5 years whichever is lower
- a. For the tendering phase, following milestones can be utilized
- i. Bid submission – Correct submission of all documents as stipulated in the tender document. Any request for extension for

bid submission deadline will result in negative impact on vendor rating as explained below:

Score: Request for extension of TBO

11: No request for extension

9: Extension for 1 to 7 days

8: Extension for 8 to 15 days

5: Extension for more than 15 days

ii. Bid validity, Bid withdrawal and unsolicited communication

Score of 11 if no there is not Bid Withdrawal, Correct Bid validity and No unsolicited communication from Bidder

Score of 0 if Bid is withdrawn or ONGC decides to cancel their bid due to non-compliance to tender conditions

Else, score will be affected negatively by 1 point for each transgression

For eg, if bid validity was incorrect but bidder changes it when ONGC asks them, their score will be reduced by 1 point.

For every unsolicited communication, their score will be reduced by 1 point.

iii. Timely response to queries

Score: Delivery Timeline

11: No requirement of any clarifications

10: Acceptable response before the day of deadline

9: Acceptable response on the day of deadline

8: 1 day delay in Acceptable response

7: 2 day delay in Acceptable response

6: 3 day delay in Acceptable response

5: 4 day delay in Acceptable response

4: 5 day delay in Acceptable response

3: 6 day delay in Acceptable response

2: 7 day delay in Acceptable response

1: 8 day delay in Acceptable response

0: More than 8 day delay in Acceptable response

d. For each milestone in a project, clear timelines are defined. As far as possible, individual activities in a milestone for the vendor / contractor should have as few overlaps from external agencies and ONGC as possible.

i. Against each milestone timeline, date of final delivery of items / services are identified and scored according to the criteria mentioned below.

Score: Delivery Timeline

11: Better than on time delivery / execution

10: Delivery on time (upto 1% more or 1 day (whichever is more) than time allocated for the milestone

9: 1 - 10% delay (rounded to the nearest day) compared to milestone timeline

8: 10 - 20% delay (rounded to the nearest day) compared to milestone timeline

7: 20 - 30% delay (rounded to the nearest day) compared to milestone timeline

6: 30 - 50% delay (rounded to the nearest day) compared to milestone timeline

5: 50 - 70% delay (rounded to the nearest day) compared to milestone timeline

4: 70 - 100% delay (rounded to the nearest day) compared to milestone timeline

3: 100 - 150% delay (rounded to the nearest day) compared to milestone timeline

2: 150 - 200% delay (rounded to the nearest day) compared to milestone timeline

1: 200 - 300% delay (rounded to the nearest day) compared to milestone timeline

0: More than 300% delay (rounded to the nearest day) compared to milestone timeline

- ii. Quality of vendor output is incorporated in the overall criteria for vendor appraisal by ensuring that final delivery completion certificate should be handed only after the delivered item / service has been tested for quality and has passed the prescribed inspection norms.
- iii. Quality and inspection process needs to move from one time check at the time of delivery / milestone completion to a system of continuous quality check and inputs from continuous quality management should be used with empanelled vendors to work on methods to improve delivery and performance.

b. Overall Tender/Project Rating

Combination of different milestones to be carried out on the basis of value impact of the specific milestone step.

Only in cases where impact value of all milestones cannot be calculated, each step will be given scores in terms of criticality towards project deliverable (least critical step will be given a score of 1, most critical step will be given the maximum score - equal to the total number of milestones in the requirement) and the total project score will be calculated as a weighted average of all these milestone scores.

For the tender rating, the three milestones as defined in sub-clause(d) above can be accorded equal weights.

- c. Vendor response time for post contract issues will also be measured. Rating scale for post contract issues will be shared at the time of the closing delivery milestone.

17.4.12 All criteria for vendor rating will be shared upfront with the vendor at the time of tendering. No modification of vendor rating for a project will be allowed for a project which is already under execution.

17.4.13 The vendor rating formats for respective categories shall be developed by the respective MM team / Category manager dealing with the category / item / service and shall be approved by the concerned Director. The respective MM team / Category manager dealing with the category / item / service will be responsible for executing the vendor rating.

17.4.14 The vendor rating can also be linked to the IT system in case it is completely objective and can be mapped to the system.

17.4.15 Vendor Feedback and Co-Development

- a. In addition, to the formal rating process, a vendor feedback process will be carried out to facilitate execution / delivery without delays and actively work with quality vendors to further improve on project / item / service metrics (cost, time, quality etc.)

- b. Each milestone step is divided into multiple checkpoints.

Checkpoints in any delivery / milestone will be after every 2 months (from the start of contract) or in case the milestone timeline is less than 6 months, the entire milestone will be divided into 3 equally timed checkpoints.

- c. At each checkpoint, stock of the progress of the current milestone will be taken, root causes or roadblocks for specific issues will be identified and plan for the next checkpoint stages, milestones, projects will be updated.
- d. Further, In charge MMs should fix one-day in a month for suppliers' complaints and resolution of issues. MM Depts. at Work Centre under the guidance of the Key Executive are also advised to hold "Interactive Meets" with the local vendors at least once in every year) to be used as a platform for interacting with the vendors for resolution of their issues/complaints and redressal of their grievances and to have better participation from local prospective bidders in tenders for incidental requirement., besides educating them about ONGC's tendering procedure. The expectations from the vendors against vital tender requirements and the common errors and lapses committed by the vendors should be highlighted during such "Interactive Meets with Vendors". Senior officers from all disciplines should participate in the meet. The issues requiring resolution at the local level should be addressed by taking suitable actions. However, any policy issues should be referred to PMC with the recommendations of the Work Centre duly endorsed by the Key Executive. Work Centres are advised to invite MSEs (including those owned by SC/ST entrepreneurs) of their locations for participating in such Periodical Interactive Meets with Vendors, for resolution of their issues, besides educating them about ONGC's tendering procedure.

17.5 Vendor Banning

- 17.5.1** Removal from the approved list: The name of the contractor may be removed from the approved list of contractors, by the enlisting authority, if it:

- a. has a rating below the cut-off rating of 4
- b. has, on more than one occasion, failed to execute a contract or has executed it unsatisfactorily; or
- c. is proved to be responsible for constructional in two or more separate instances; or
- c. If persistently violates any important conditions of the contract; or
- d. Fails to abide by the conditions of empanelment; or
- e. Is found to have given false particulars at the time of empanelment; or
- f. Has indulged in any type of forgery or falsification of records; or

- g. Changes constitution of the firm or Individual without prior approval of the empanelment authority; or
- h. Is declared or is in the process of being declared bankrupt, insolvent, wound up, dissolved or partitioned; or
- i. Persistently violates the labour regulations and rules; or
- j. Is involved in complaints of serious nature received from other departments which prima facie appear to be true.
- k. transgresses relevant provisions of Integrity Pact
- l. Fraudulent activity, wilful mis-conduct, mis-representation, mis-declaration, security considerations including loyalty to state, adverse vigilance or CBI report, Govt. instructions, etc
- m. If proprietor of the firm, its employee(s), partner(s) or representative(s) is/are convicted by a court of law following prosecution by the CBI or under normal process of law for offences involving moral turpitude in relation to business dealings
- n. If there is strong justification for believing proprietor or employees or representatives of firm have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolation, misrepresentation, evasion or default in payment of any tax levied by law.
- o. If the firm contumaciously refuses to return Govt./ONGC's dues without showing adequate cause and Govt./ONGC are satisfied that this is not due to a reasonable dispute which would attract proceeding in arbitration or court of law.
- p. If the firm employs a Govt./ONGC employee, dismissed/removed on account of corruption, or employs a non-official convicted for an offence involving corruption or abetment of such an offence, in a position where he could corrupt Govt./ONGC employees.

17.5.2 Vendor Banning Process

(MM/02/2015 dated 08.04.2015)

(MM/82/2023 dated 17.01.2023)

(MM/112/2023 dated 30.11.2023)

(MM/117/2023 dated 29.12.2023)

The Committee of Directors consisting of concerned Director, Director-I/c MM and Director (F) shall be competent for approving proposals for banning of business dealings with erring vendors including the decision to ban totally or partially (i.e. provide an exemption window) or not to ban at all, fixation of the quantum of banning period and review / modification / revocation, if any, of the banning decision. Head- MIND shall be the nodal officer to assist this Committee and all the proposals from the Work Centre shall be first scrutinized

by Head- MIND before they are put up to the committee of Directors. Following process shall be followed for the purpose of banning any vendor:

(MM/26/2017 dated 21.06.2017)

(MM/112/2023 dated 30.11.2023)

- a. In case it is decided to suspend business dealing with the defaulting supplier/contractor, the concerned Key Executive at the Work Center shall have full powers for initiating banning process against the erring firm. The concerned Key Executive shall also nominate an Enquiry Officer. The Enquiry Officer shall not be less than the E-6 level executive (who did not handle the case in any capacity) for conducting the proceedings.
- b. Consequent to obtaining approval for suspension of business dealings, communication shall be sent to the supplier/contractor conveying suspension of business dealings with him pending completion of inquiry. This communication should clearly indicate the reasons for the same and specify that after completion of inquiry, if it is found that the fault is on the part of the Supplier/Contractor, then they shall be put on holiday [i.e. neither any tender enquiry will be issued to such a Supplier by ONGC against any type of tender nor their offer will be considered by ONGC against any ongoing tender(s) where contract between ONGC and that particular Contractor (as a bidder) has not been concluded] for a period of two years. This communication should be issued by I/c-MM for cases pertaining to MM and concerned Level-II for cases pertaining to other departments, by Registered Post with authenticated acknowledgement
- c. Simultaneously, inquiry shall be conducted by ONGC(through the enquiry officer appointed), in quasi judicial manner but during the period inquiry is being conducted, business dealings with the defaulting supplier/contractor shall remain suspended i.e. ONGC shall neither issue any tender enquiry to him nor shall consider his offer in any ongoing tender
- d. The Enquiry Officer shall issue legally vetted show cause notice to the firm by Registered Post with authenticated acknowledgement. Show Cause Notice should bring out allegations and asking why business dealings with the firm should not be banned. The Enquiry Officer shall also monitor receipt of reply in given time and shall submit the inquiry report to the Key Executive of the Work Center. While submitting the inquiry report, Enquiry Officer shall also suggest the period of banning business dealings with the erring firm depending upon the gravity of the offence committed by the firm.
- e. Enquiry Officer shall ensure that enquiry process for banning of business dealings with erring vendor is completed within 4 months from the date of his appointment as Enquiry Officer. Further, it would be ensured that final banning order is issued within 2 weeks from completion of enquiry process.

(MM/82/2023 dated 17.01.2023)

(MM/112/2023 dated 30.11.2023)

(MM/117/2023 dated 29.12.2023)

- f. The Key Executive shall peruse the inquiry report along with the replies submitted by the firm and all other related documents of the subject case. In case the recommendations of Enquiry Officer are in line with his decision for initiating banning process, recorded earlier, Key Executive shall submit the case through the Legal Section of the concerned Work Centre and Chief- Legal Services to Head- MIND for obtaining approval of the Committee of Directors for issuing the banning order. However, where based on the findings/recommendation of the Enquiry Officer and the replies submitted by the firm and all other related documents of the subject case, if the Enquiry Officer recommends not to ban business dealings, then also the case shall be referred by the Key Executive with due justification along with recommendations to Committee of Directors for approval.

For review / modification / revocation, if any, of the banning decision, the Key Executive shall submit the case with due justification along with recommendations through the Legal Section of the concerned Work Centre and Chief- Legal Services to Head- MIND for obtaining the approval of Committee of Directors.

- g. After obtaining approval of the committee of Directors, the Key Executive of the Work Centre shall issue the order for banning of the firm. While issuing the banning orders it should be ensured that banning order is a speaking order, highlighting explicitly the vendor code, the reasons for banning and the same should be duly vetted by the Legal Section of the concerned Work Centre. Work Centre should ensure proper service of the banning order by Registered Post with authenticated acknowledgement.
- h. Banning period shall be counted from the date of issue of initial order of suspension of business dealings so that effective period of banning remains same as stipulated period / period approved by Competent Authority
- i. For effective implementation of the these provisions, the concerned Work Centre shall send a copy of the communication which has been addressed to the vendor suspending business dealings with him/banning them (along with the copy of approval of concerned approving authority) to PMC-Corporate-MM along with the vendor code(s) of the defaulting supplier/Contractor for uploading the same on the MM web-site under "Names of Erring vendors with whom Business dealings have been suspended/Banned" and blocking the vendor code of the concerned vendor in the ICE system.
- j. On conclusion of inquiry, if it is decided not to ban business dealings with the supplier/contractor, then work centre shall immediately revoke the suspension order and convey this decision to the Supplier by Registered Post with authenticated acknowledgement. This decision should also be conveyed to PMC Section for removing the name of the firms from the List of firms with whom business dealings have been suspended, appearing on the website

- k. Initiating banning process where decision has been recorded by CMD in a file to process the banning action on a firm: In such cases, consequent to CMD's decision to initiate proceedings for banning business dealings with a firm, the concerned Key Executive at the Work Center shall process implementation of the decision without any back reference to the field etc. for initiation of a de-novo case and immediately initiate the proceedings for banning of business dealings with the firm as per prescribed methodology mentioned above and shall be completed in maximum 45 days from the date of CMD's orders.
- l. Deleted (MM/75/2022 dated 22.07.2022)
 - m. Banning order are to be issued for banning of the erring firm along with its allied concern, partner or associate or director or proprietor involved in any capacity etc. Such entities already operating in ONGC should be identified by Work Centers to the extent possible and their corresponding vendor codes should also be intimated to VM Cell for blocking
 - n. The guidelines on suspension of business dealing with a firm as per clause 17.5.2-a above shall be applicable in case of termination of Contract due to unsatisfactory performance, insolvency of the firm, delay in mobilization , and / or annulment of the contract due to non-submission of Performance Security, provided the related provisions have been incorporated in the tender/contract conditions.

18 Claims and Warranties

18.1 Warranty and Guarantee

- 18.1.1** Warranty and Guarantee for equipments and LSTK / Projects will be as per provisions mentioned in Tender Document.
- 18.1.2** The details for Bank Guarantee for warranty in case of equipment and LSTK / Projects will also be as mentioned in the Tender Document.
- 18.1.3** All software may be procured without any warranty. The tenders for procurement of software should be invited along with its AMC wherever required. It should be clearly stipulated in the BEC that value of the AMC shall also be taken into account for evaluation along with that of the software. Annual Maintenance Contract (on base price) should be entered into from the next day of successful installation, commissioning and acceptance of the software. In addition, a provision should also be made in the tender and the contract that AMC can be terminated by ONGC at its discretion by serving an advance notice of 30 days.
- 18.1.4** After placement of order/contract, simultaneous action should be initiated for completing "Site Readiness" for installation and commissioning (including civil work, electrical connections, and consumables etc., which are to be arranged by ONGC as per contract terms) well in time. The indenter / project coordinator should ensure timely installation and commissioning of the equipments so that warranty period of minimum 12 months is fully availed after the date of installation and commissioning.
- 18.1.5** In individual cases, wherever it is anticipated that longer period would be required for completing installation and commissioning job, suitable provisions in respect of the same should be incorporated separately in the special conditions of tender/contract so that warranty period of minimum 12 months is available after the date of installation and commissioning of the equipment.
- 18.1.6** In case the installation and commissioning is delayed on account of the supplier/contractor, necessary extension in warranty period (so as to ensure availability of warranty for a minimum period of 12 months from the date of installation and commissioning) should be obtained from the supplier/contractor at no extra cost, before final acceptance of the goods/equipment/project after installation and commissioning

18.2 Liquidated Damages / Cancellation Clause

- 18.2.1** No liquidated damages clause will be inserted in contracts / supply orders for purchases upto Rs.1 lakh. For other contracts LD should be used.
- 18.2.2** For OEM spares, OEM services, Proprietary chemicals and other articles of proprietary, LD should not be used. However, in case of AMCs, LD shall be imposed.

18.2.3 Liquidated Damages / Failure and Termination Clause will be as per terms mentioned in the general conditions of the contract and special conditions of the contract.

18.2.4 LD will be imposed on the total value of the order unless 75% of the value ordered is supplied within the stipulated delivery period. Where 75% of the value ordered has been supplied within stipulated delivery period, LD will be imposed on the order value of delayed supply(ies). However, where in judgment of ONGC, the supply of partial quantity does not fulfil the operating need, LD will be imposed on full value of the supply order. However, in cases involving supply to multiple consignees/port consignees, Work Centre to frame a suitable clause for levy of L/D on consignee/port consignee wise basis. The due dates for supply of each item/quantities on consignee/ port consignee wise should be specified and LD should be levied for delay in supplies beyond the dates specified for respective items/ quantities on consignee/port wise value. For calculation of LD, Service will be deemed to have been delivered only when all components and parts are also delivered so that the entire work unit / service unit can be operated or executed as a whole. If certain components are not delivered in time, the services, will be considered as delayed until such time all the missing parts are also delivered.

Any change in deadline of delivery / mobilization / completion, copies of letter authorizing extension of delivery/ mobilization/ completion date should be endorsed to the following

- (i) Indenting Officer
- (ii) Quality Assurance Department
- (iii) Consignee
- (iv) Finance and Accounts Officer

(MM/109/2023 dated 30.10.2023)

(MM/113/2023 dated 08.12.2023)

18.2.5 Following procedure shall be followed for grant of extension of Delivery / Mobilization / Completion date

- a. In cases where the delivery/ work is not likely to be completed as per original schedule, and cancellation/ termination of contract is not contemplated, the time of delivery/ completion should be suitably extended as per instructions given here under, before the expiry date of mobilization/ delivery/ completion, in order that the contract shall continue to be in force and the contractor remains liable to execute the contract.
- b. Any extension due to entire delay being solely on account of contractor / supplier will be decided by Competent Purchase Authority (concerned L-1 shall have full power), on recommendation by the indenter (& MM, if tender was processed by MM-dept.). This extension will be with levy of LD as per the terms of contract, provided the indenter confirms continued

existence of the requirement. **No Procurement Evaluation Committee is required in this case.** No financial concurrence is required. Normally, such extension will be communicated to the contractor in the format given in Appendix 4.

Provisions for penalization including vendor ratings should be exercised if delay or extension is required due to faults attributable to the contractor.

- c. Any extension, where delay in part may be on account of ONGC, will be granted by the Competent Purchase Authority (concerned L-1 shall have full power), on recommendation by the indenter (& MM, if tender was processed by MM-dept.) with ONGC reserving right to levy LD, provided the indenter confirms continued existence of the requirement. **No Procurement Evaluation Committee** is required for such decision. No financial concurrence is required. Normally, such extension will be communicated to the contractor in the format given at Appendix 5.

The amount of LD shall be withheld on the proportionate basis, by finance, from the bills of supplier/contractor, while releasing payments for delays.

In case of LSTK contracts, on completion of delivery/ work, the delay would be examined by Procurement Evaluation Committee (based on the joint statement duly signed by both ONGC and Contractor which will be prepared by concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting/User Section (for other cases) at the level mentioned at para 13.2.1. Concerned Level-II Officer of concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting/User Section (for other cases) shall have full powers in this respect) and the quantum of LD will be approved by the CPA on recommendation of PEC.

In case of material and services quantum of LD shall be recommended by PEC (based on the comments of concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting/User Section (for other cases), if required) considering the extent of delay attributable to contractor.

Proposal for time extensions shall then be considered by the Competent Purchase Authority for approval on recommendation by the **Procurement Evaluation Committee** regarding quantum of LD for the delay attributable to the contractor. Concerned L-1 shall have full power, if (i) the LD rate is as per provisions of Supply Order/Contract and (ii) delay attributed to the contractor is not condoned either in part or full.

(MM/10/2016 dated 23.03.2016)

- d. – Deleted -

- e. Notwithstanding anything stated in the foregoing paras, as a rule, no extension should be given for a period of more than one year beyond the originally scheduled date of delivery/mobilization/completion date. The delivery date extensions for more than one year beyond the original schedule shall require approval of concerned L-1.

(MM/04/2015 dated 28.04.2015)

- f. Seeking approval for extension in delivery/mobilization/completion period on ex-post facto basis should be avoided, as far as possible and that extension, if any, in delivery/mobilization/completion period should be given to the contractor before the expiry date of mobilization/delivery/completion after obtaining approval of the competent authority. However, in exceptional circumstances, if extension in delivery/mobilization/completion period is not given before the expiry of the delivery/mobilization/completion period, in such cases, ex-post facto approval for extension of delivery/mobilization/completion period can be accorded by the authority as per delegation already provided in the MM Manual. In such cases, detailed reasons and justification should be brought out while obtaining the approval of the competent authority

(MM/50/2019 dated 04.07.2019)

(MM/114/2023 dated 20.12.2023)

- g. Normally the cases involving extension due to delay on account of contractor/supplier shall be considered with levy of LD at the rate as per contract terms and without condoning any delay attributed to the contractor. However, in compelling circumstances beyond the control of supplier/vendor, a holistic view may be taken for considering waiver of Liquidated Damages. Any proposal, with full justifications, for waiver of LD rate in such cases, and/or condonation of delays attributed to contractor shall require the approval of Competent Purchase Authority not below L1, on the recommendations of **Procurement Evaluation Committee** (based on the comments of concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting/User Section (for other cases), if required).
 - h. The aforesaid provisions shall be applicable even if the contract has a provision for automatic termination on account of delay in delivery.
- (MM/04/2015 dated 28.04.2015)
(MM/109/2023 dated 30.10.2023)
(MM/113/2023 dated 08.12.2023)
(MM/114/2023 dated 20.12.2023)
- i. In LSTK projects, material and services where delay is solely attributable to ONGC, the reasons for delay should be adequately brought out in the **minutes of Procurement Evaluation Committee** (based on the comments of concerned Nodal Technical Agency (for cases under CPD)/ concerned Indenting/User Section (for other cases), if required). Under such circumstances, **Competent Purchase Authority (CPA)** (concerned L-1

shall have full power) may grant extension of completion period to the extent of such delay is attributable to ONGC, without imposing liquidated damages.

18.2.6 Review of decision to impose LD

(MM/112/2023 dated 30.11.2023)

In case Competent Purchase Authority finds it necessary to revise his own earlier decision imposing LD and to waive recovery thereof, he should obtain the approval of the next higher authority for doing so. The cases falling under powers of MCoDP will be approved by MCoDP.

(MM/10/2016 dated 23.03.2016)

18.2.7 If in a contract containing provisions for releasing the withheld amount of LD against submission of Bank Guarantee, it is decided to release the amount of withheld LD against BG, then it is to be ensured that the Bank Guarantee submitted by the contractor remains valid till the final settlement of the issue regarding levy of LD. As regards ensuring the validity of BG till final settlement of the issue, though primarily it is the responsibility of the dealing MM officer, but the Head of the MM department should also regularly monitor the validity of BG to ensure that it remains valid till final settlement of the issue regarding levy of LD.

18.2.8 Liquidated damages will be calculated on the basis of supply order price of materials excluding duties and taxes, where such duties/taxes have been shown separately in contract/supply order. In case of service contracts LD will be calculated on the basis of annual contract value excluding duties and taxes, where such duties/taxes have been shown separately in the contract

19 Change Orders

19.1 Definition

19.1.1 Change order will be applicable in all the LSTK/EPC contracts for Offshore/Onshore Projects, repair and revamp projects and other works including the dry docking and major overhauling of vessel/equipments. A change order will be initiated only in case

(i) the Company directs in writing the Contractor to include any addition or deletion to the scope of work

(ii) Contractor requests to delete any part of the Work which will not adversely affect the operational capabilities of the facilities and if the deletions proposed are agreed to by the Company

(iii) the Company directs in writing the Contractor to incorporate changes or additions to the Design Criteria requirements covered in the Contract.

(iv) Any other contractual change leading to cost benefit as per contract terms (negative change order)

19.2 Change order process

19.2.1 Any change/extra work not covered under current contract is identified. This requirement can be in terms of points (i) to (iv) in para 19.1.

19.2.2 Once such requirement has been identified, in case the supplier / contractor is in a position to deliver the additional items / execute the additional works, the detailed technical assessment related to the requirement is carried out by the supplier / contractor and is finalized between the ONGC representative and the supplier / contractor.

In case of additional goods, the finalization may involve indicative timelines for delivery.

In case of change in scope of work, the finalization may involve detailed technical requirements / design needed for executing the work.

19.2.3 In case of reduction in requirement, the detailed technical assessment indicating why the work can be removed is carried out by the supplier contractor and is finalized between ONGC representative and the supplier /contractor.

19.2.4 The supplier / contractor provide initial cost estimation (addition / reduction) for executing the change order.

(MM/26/2017 dated 21.06.2017)

19.2.5 The Competent Authority for approval of this change order is decided on the basis of para 19.2.9 below.

19.2.6 No approval to go ahead with the extra work/change order shall be given without approval from Competent Authority(including that of initial cost estimate). After the approval has been obtained from the relevant Competent Authority, the go - ahead can be given to the supplier / contractor for initiating execution on the new requirement.

(MM/113/2023 dated 08.12.2023)

19.2.7 The detailed change order proposal with cost and time impact shall be obtained from the contractor and put up by the Project Manager/ Project Coordinator along with the consultant's views for deliberation and recommendation of **PEC** for final approval of the competent authority mentioned at 19.2.9 below.. After the approval of the appropriate authority as at 19.2.9 below, all such change orders shall then be issued by the Contract signing authority. Such approval shall be conveyed to the contractor based on the recommendations of **PEC** duly approved by appropriate Authority as mentioned above. Adequate justification for the quote provided in case of purchase of material should also be taken from the contractor.

19.2.8 The final cost will not exceed the initial estimated cost. Initial estimated time/COST impact indicated by Contractor shall be considered as a ceiling limit and shall be provisionally considered for taking a decision to implement change order. However, in case of negative change order/cost benefit, the initial cost benefit so indicated shall be considered as the datum & final cost shall not be lower than the same.

19.2.9 Administrative/ Technical and Financial Powers for Approval of Change Orders will be as per BDP

Notes:

(MM/112/2023 dated 30.11.2023)

- a. Approval of the competent authority as mentioned above needs to be obtained before authorizing the contractor to go ahead with execution of the Change Order. However, in exceptional situations where there is an urgency or emergency, authorization to go ahead for executing the change order should be obtained with the approval of the **concerned L-1 for all cases including MCoDP level cases**. However, even in this case, an interim cost estimate has to be provided. The final cost estimate cannot be more than of this initial cost estimate. At the same time, action should be initiated concurrently to prepare cost estimates for finalizing the value of the Change Order.
- b. The formal amendment to the contract can be issued only after obtaining due financial expenditure sanction for the revised estimate in case change order results in increase in cost.
- c. These powers shall be exercised within the overall sanction accorded.
- d. In case of increase in total cost, additional expenditure sanction shall be obtained from the Competent Authority. If increase is more than 10% of

the contract value, Expenditure Sanction of the Competent Authority shall be obtained as per BDP

- e. Shifting of contractual completion date due to change order and change orders having impact on overall project completion schedule shall also need approval of Competent Purchase Authority (who has approved the original contract award), not below the authorities mentioned above.

- f. **PEC** to be held

(MM/112/2023 dated 30.11.2023)

- g. In case of variation of quantities during the execution of the contract for executing the contracted scope of work and if unit rates for such items are available in the contract, then such variation in quantity shall not be considered as change order. Such variation of quantities will require approval of concerned L-1.
- h. These powers under change order procedure are applicable only in LSTK contract including dry-docking for rigs/vessels and contracts involving revamping and refurbishing of equipments/facilities. Variation in quantities where items rates are available are applicable in other cases.
- i. All new / fresh works or any additional work not appearing in the scope of work define in the contract shall be considered as positive change orders.
- j. In case during the project execution stage, it is established that a negative change order is required due to deletion of scope of work/change in design criterion/specification etc acceptable to company, Change order procedure shall be followed. Payment schedule for change orders shall be progressive and milestone based, which will be decided mutually during the change order finalization However, for negative change order, the cost benefit shall be recovered from the first available invoice after finalization of the change order and the same being conveyed to the contractor. In case of delay in the finalization of negative change order after tentative cost estimate was agreed, company may withhold the tentative cost estimate or the estimated cost by company, whichever is higher, pending finalization.
- k. In case proposed change order involves purchase of material (other than OEM spares) then prior to finalizing purchase, the contractor should provide at least 3 offers in respect of the material proposed to be procured, for approval of ONGC. Such approval shall be conveyed to the contractor based on the recommendations of **PEC** duly approved by Competent Authority as per BDP. If less than 3 offers are provided, adequate justification shall be given as to what are the reasons for the same.

19.3 Variation in Quantity

19.3.1 Variation in quantity of items / services

(MM/10/2016 dated 23.03.2016)

- a. If the contract has been closed/executed, no change in quantity / requirement is allowed.
- b. – Deleted -
- c. If item rates are available quantity variation upto 10% (increase or decrease) is allowed without approvals. For any additional variation, approval from the CPA (under whose powers the modified amount in the contract will fall) will be needed.
- d. If rates for the items are not available, no quantity variation will be allowed and the change order procedure will be followed.

19.3.2 Variation in requirement due to change in scope / additional requirement, or non availability of rates for quantity variation needs to follow the change order process of cost estimation

19.3.3 Item Rate/Percentage Rate Contracts.

In the case of Item Rate/Percentage Rate tenders, the following procedures will be adopted in the finalization of rates for change in item quantity in case item rate are available

19.3.3.1 Variation in quantities of items, i.e. where there is increase or decrease in the quantities of items in the contract.

- a. Variation beyond $\pm 10\%$ of the stipulated quantities of individual items in the contract shall require the approval of CA.
- b. The rates payable for the variations up to 25% in respect of individual items in the contract shall be as per the contract rates.
- c. The rates payable for variations in quantities in excess of 25% in respect of individual items shall be worked out at market rates prevailing at the time of commencement of execution of these items.

19.3.3.2 Extra /Substituted Items

- a. Extra items of work are items, which are completely new and in addition to the items in the contract. Substituted items are items which are taken up in lieu of those already provided in the contract.
- b. The powers to accord Technical sanction for extra and substituted items shall be as per BDP. The officers while exercising these powers shall obtain the Administrative approval from the authority who accorded Technical sanction for the project. Where the excess is due to substituted

items, the algebraic difference between the contract and substituted item shall only be considered for the excess amount (for accord of TS).

- c. The rates for the extra items shall be worked out at market rates prevailing at the time of commencement of execution of these items. For each additional item, multiple BQs can be used as a means to identify going rate in case no rate for the item is available in the existing contract.
- d. For substituted items, the contract rate of the original item will be adjusted for the difference in market rates (prevailing at the time of commencement of execution of these items) of original and substituted items.

19.4 Payment Schedule

19.4.1 The payment schedule for change orders will be linked to individual milestones similar to the manner in which payments are made for normal contracts.

19.4.2 The payment schedule can only be made after the complete change order has been approved and the negotiations on price for the change order have been completed with the suppliers / contractors.

MM/90/2023 dated 06.06.2023

19.4.3 In case cumulative change orders value/ ceiling value cause the contract value to increase by more than 15% of original contract value, then Performance Security should be obtained for higher amount within 15 days of giving go-ahead to the Contractor for execution of the change order. However, if the cumulative change orders value/ ceiling value cause the contract value to increase upto 15% of original contract value, then further Performance Security is not required to be taken.”

In case if a contractor does not submit additional PBG for the incremental amount within 15 days of giving go-ahead notification by ONGC, ONGC would withhold the equivalent amount of additional PBG to be submitted by the contractor against the change order from any payments due to the contractor against the subject contract and release the same after submission, verification and acceptance of the additional PBG.

20 Purchase Order Tracking Process

20.1 Purchase Order

20.1.1 Distribution of copies of purchase orders

The distribution of purchase order copies will be made as under:-

- a. Firm (two copies - one copy has to be received back duly acknowledged by the firm). These will be sent under registered forwarding letter. Scanned copy of PO/contract shall be uploaded in SAP under documents link of the PO/contract and the following offices shall be informed:
 - i) Ultimate Consignee (s)- For being ready to receive the material
 - ii) Port Consignee / T&S (for imported materials only).
 - iii) Materials Management (Stock) of ultimate consignee along with approved samples, if any.
 - iv) Finance & Accounts Officer concerned
 - v) Indentor (Tech. Dept. concerned as well as Head when requirements are consolidated at Headquarters) -For information and for obtaining Essentiality Certificate and also to provide nexus documents to EPCG Cell wherever applicable
 - vi) Quality Assurance Department
 - vii) EPCG cell, in case benefits under EPCG scheme are to be availed.
 - viii) Standardization Group (in case of PO for Capital item)

20.2 Follow up of purchase orders

- 20.2.1** After the purchase order is issued, the MM department will follow up the order so that supply is received in time to ultimate consignee.

(MM/04/2015 dated 28.04.2015)

20.2.2 - Para Deleted -

20.3 Other clauses for delivery

- 20.3.1** On completion of delivery/work, vendor rating will be assigned on the basis of delivery performance for the contract, by the concerned Level-II Officer of indenting department. This will be communicated to the vendor relationship manager (category manager or MM person in charge).

- 20.3.2** Wherever the contract is concluded on the basis of approved sample either for quality or for shade or for makeup, the approved sample, duly signed and stamped by concerned purchase officer, will be sent to concerned QA Department along with relevant supply order. On the approved sample, supply order number and date of firm's name will be indicated by concerned purchase department before sending the same to QA department. Date of sending sample(s) to QA dept. will also be noted by Purchase dept.
- 20.3.3** The QA department will maintain record of samples indicating order number and date, date of receipt of sample, party from whom the sample was received, description of item, quality of sample, date of inspection and date of completion of supplies.
- 20.3.4** Samples of unsuccessful bidders shall be returned after finalisation of the tender provided the same is not consumed during testing.

20.4 Shipping order placement

(MM/132/2016 dated 13.04.2016)

(MM/92/2023 dated 07.06.2023)

- 20.4.1** For ICB/ LICB tenders, MM Department will directly place the orders on CFR basis. In case the order is to be placed on CIF basis due to any reason, insurance cover should be on warehouse to warehouse basis and should be valid up to 90 days from the date of discharge of the cargo at port/airport. For orders not on CIF basis, marine insurance of imported cargo and insurance during the transit upto warehouse of ultimate consignee shall be arranged by concerned T&S office of ONGC.

In case of Import of goods against single tenders from OEM/OES, PAC, nomination basis, freight rates along with complete contact details of the respective authorised freight forwarder of M/s. SCI and M/s. Balmer Lawrie & Co. Ltd. for shipment from the respective port of shipment shall be obtained from the authorised persons nominated by M/s Shipping Corporation of India (as per Appendix-3 of Circular No. 20 dated 13.04.2016 as amended from time to time) and M/s. Balmer Lawrie (as per Appendix-1 of Circular No.41/2023 as amended from time to time) respectively through e-mail only. In case freight charges quoted (through mail) by SCI and/or Balmer Lawrie are lower than the freight quoted by the vendor, then order will be placed on FOB basis and shipment shall be finalised through SCI or Balmer Lawrie whosoever has quoted lowest freight charges. Otherwise, order will be placed on CFR basis.

SCI and Balmer Lawrie shall be given 7 days' time to quote freight rates, however workcentres may keep lesser/more time depending upon the case, wherever required.

20.4.2 When freight is finalised with SCI/Balmer Lawrie as the case may be, the amount of freight payable with break up, if any, may be indicated separately in PO along with SCI/Balmer Lawrie Ref. No. for correct and timely payment of freight by T&S. Copy of correspondence made with SCI/ Balmer Lawrie will be sent to T&S along with the PO.

20.4.3 In case of containerized cargo, 14 days detention free period by Shipping company should be obtained and the same got endorsed on the Bill of Lading.

20.4.4 Upon receipt of Purchase Order and delivery schedule of material, Indentor shall proactively arrange for documents like invoice etc. for application of Essentiality Certificate and arrange to despatch the EC and import license(for restricted items) to T&S office at least 3 days before arrival of shipment at port of discharge.

20.4.5 Upon receipt of Purchase Order and related documents from Indentor, EPCG cell shall promptly apply and obtain EPCG Licence and forward the same to T&S at least 3 days before arrival of shipment at port of discharge.

- a. Application to DGFT for issue of EPCG authorization shall be made for capital goods where the value of the POs/Contracts is more than Rs. 25.00 lakhs and for spares if the value is more than Rs. 50 lakhs subject to receipt of required documentations. Such benefits are applicable for both Non PEL/ML areas and PEL/ML areas.
- b. DFCE/Target plus certificate may be utilized for customs clearance of POs/Contracts valued above Rs. 2.00 lakhs subject to required documents till the Duty free Credit Certificate are available. However, POs/LSTK contracts below Rs. 2.00 lakhs may be cleared under merit rate of Customs Duty.

20.4.6 Delivery of the cargo is possible on presentation of original Negotiable Bill of Lading. After shipment of goods, Purchase section shall co-ordinate with supplier and Finance Wing for timely release of negotiable documents through Bank and forwarding the same to T&S for obtaining delivery of the cargo.

20.4.7 PO must reflect all line items for delivery cost of material such as Material Cost, Freight, Insurance, Custom duty, Port Charges and Handling charges. In addition PO will contain contact details of indentor and port consignee.

20.5 Air freight

(MM/50/2019 dated 04.07.2019)

Sanction shall be obtained (at the time of PR creation) from concerned L-III executive in consultation with attached Finance in following cases:

i) The item of import is delicate in nature and ocean transportation may cause damage to item in transport.

ii) The volumes / size of import are so small or the nature of the item is so sensitive that air freighting would be more expedient or appropriate than ocean freighting.

However, in case there is extreme urgency for the import of items in question and the exigencies of the situation warrant air freighting, sanction for Air freighting indicating the estimated amount of freight payable will be taken by the user department from the concerned L-I executive in consultation with attached Finance at the time of PR creation.

20.5.1 In case of Air Freighting following actions should be taken to expedite clearance of material from customs to minimize demurrage

- i. Indentor to expedite Essentiality Certificate at least three days before arrival of materials.
- ii. To expedite a set of shipping documents comprising copy Airway Bill, invoice, Packing List to port consignee by the supplier or their Indian Agent at least three days before arrival of materials. The necessary provision to be made in supply order accordingly.
- iii. MM dept. to send copy of purchase order to Port Consignee immediately on its placement.
- iv. MM dept. & Finance dept. to expedite Bank- Release Order to Port Consignee on or before arrival of the material at airport for taking immediately the delivery of consignment to avoid accumulation of demurrage for want of it even after completion of all other customs formalities.
- v. Indentor to arrange and provide import license for restricted item before arrival of the material.
- vi. MM / indentor to convey approval for clearance of short shipped or warranty replacement items before arrival at airport and advise the suppliers to send advance set of documents like Airway bill, invoice & packing list, three days before arrival to Port Consignee to facilitate clearance of material. Essentiality Certificate or duty on merit approval is also to be forwarded or intimated to T&S office in advance i.e. before arrival of cargo to avoid delay & demurrage.
- vii. The material air freighted from abroad should further be air lifted to ultimate consignee / nearby air base. Therefore, all concerned will ensure that in case of air freighting of material from abroad, approval of CA is invariably obtained and necessary provisions made in supply order in future for air freighting of material from port consignee to ultimate consignee/nearby air base of ultimate consignee.

(MM/34/2018 dated 22.05.2018)

20.5.2 In case of ICB/LICB tenders for procurement of Perforation material, the order shall be placed directly on CFR basis. For the cases, where such material form only a part of consignment, a separate order shall be placed for them. In case the order is to be placed on CIF basis due to any reason, insurance cover should be on warehouse to warehouse basis and should be valid up to 90 days from the date of discharge of the cargo at airport. For orders not on CIF basis, marine insurance of imported cargo and insurance during the transit upto warehouse of ultimate consignee shall be arranged by concerned T&S office of ONGC.

Note common for 20.4 and 20.5

- (i) All purchase orders should invariably contain address(es) and fax number(s) of the port consignee(s)-T&S, ONGC with condition on main body of PO that “The supplier must ensure incorporation of the address(es) and fax number(s) of the port consignee(s)-T&S, ONGC in the Air Way Bill itself.
- (ii) Unless the hazardous / dangerous goods are declared and packed separately, higher freight rate is charged treating the whole materials as Hazardous / Dangerous. Hence, to avoid payment of excess freight and resultant excess customs duty on this excess freight rate, clear instructions should be inserted in the main body of the supply order advising the supplier to pack DGR goods and general cargo separately and declare them accordingly.

(MM/34/2018 dated 22.05.2018)

- (iii) Except for provisions at 20.5.7, It should be ensured by incorporating PO conditions that the consignment(s) requiring air-freighting are invariably moved through the Air Consolidation Agent.

21 Inspection Process

21.1 Inspection

- 21.1.1 Quality / Inspection will be carried out whenever a request is raised.
- 21.1.2 In case of goods, this may be raised by the vendor / supplier, once the delivery batch has been manufactured / assembled.
- 21.1.3 In case of LSTK, this may be raised as per the quality assurance plan which is detailed in the technical bid.

21.2 Inspection Agency

(MM/27/2017 dated 21.06.2017)

(MM/109/2023 dated 30.10.2023)

- 21.2.1 Quality inspection can be carried out by internal agencies (QAD – ONGC/ONGC personnel) or by external TPI agencies.

Subject to provisions under para 21.2.10 and 21.2.11, in all contracts/PO awarded against ICB/LICB tenders for procurement of goods, services (including charter hire of rigs) and LSTK contracts inspection may be got done through reputed TPI agency. Reputed TPI agency shall be engaged, paid and nominated by ONGC for carrying out inspection at the premises of the supplier/contractor prior to dispatch of material.

Inspection by TPI in all cases pertaining to procurement of services may not be necessary at the premises of the contractor. Only, In specific cases certification / inspection by TPI may be required at the premises of the contractor.

Hence, in cases pertaining to hiring of services (including charter hire of rigs and vessels etc.) depending upon the need of the case, prior to invitation of tender, indenter with justifications shall intimate to the tender processing group that inspection of a particular item/activity by TPI shall be necessary at the premises of the contractor. Inspection / certifications agency then shall be engaged by the tender processing group.

Bidder shall be provided with copy of standardised format of inspection report. Duly filled in copy of the same shall be submitted by the supplier/contractor along with shipping / dispatch documents.

However, if it is considered essential to depute ONGC's personnel for inspection, prior approval from concerned L-1 must be obtained by the concerned work centre before floating the tender giving detailed reasons thereof.

In case of contract / order against Indigenous tender on Domestic bidder, inspection shall be carried out through QAD/in-house agencies as per para 21.1. However, in case QAD conveys that they do not have the requisite capability to

undertake inspection, TPI agency shall be engaged with the approval of concerned L-1 executive. Name of agency for sending Inspection call shall be accordingly indicated in the PO.

21.2.2 Following procedure shall be followed for empanelment of TPI agency for nominating TPI agency for carrying out inspections:

- (a) Corporate MM shall engage TPI agencies for TPI of goods being procured through ICB/LICB tenders only.

For TPI of LSTK contracts and equipments being hired against service contracts excluding drilling rigs awarded against ICB/LICB/Domestic tenders, Onshore Engineering Services, shall empanel TPI agencies for tenders being processed by Onshore Work Centres.

For TPI of LSTK contracts and equipments being hired against service contracts excluding drilling rigs awarded against ICB/LICB/Domestic tenders, Offshore Engineering Services, shall empanel TPI agencies for tenders processed by Offshore Work Centres including Uran & Hazira Plant.

For hiring of Offshore drilling rigs, TPI agencies shall be hired by Drilling Services, MR and for Onshore Drilling and Workover rigs, TPI agencies shall be hired by Corporate MM.

(MM/31/2018 dated 13.03.2018)

- (b) TPI agencies shall be empanelled through sending notice of empanelment to all the known TPI agencies and through publication of NIT in ONGC tender website “tenders.ongc.co.in” and e-procurement portal “etender.ongc.co.in” (for e-bid). The validity of empanelment of TPI agencies shall be three years, however the NIT for engaging the TPI agencies shall be issued every year so that new TPI agencies could apply for empanelment in ONGC.
- (c) ONGC's tender document containing commercial terms and conditions including Integrity Pact and major scope of work for empanelment and inspection shall be uploaded on ONGC's tender website. The agencies shall be asked to download the same and submit their response accordingly.
- (d) No EMD shall be required for empanelment of the TPI agencies.
- (e) Basis for empanelment of agencies shall be the BEC and other tendered conditions.
- (f) List of empanelled TPI agencies along with detailed contract conditions shall be uploaded on the MM website for information of work centers and inviting limited tender from empanelled agencies.

- (g) Scope of work for TPI, specification of item, supplier's QAP, details of supplier, manufacturing schedule, price format and any other tender related relevant information for TPI Job shall be conveyed against specific limited tender enquiry to all empanelled agencies.
- (h) While inviting rates, depending upon the case specific requirement, work centres may convey special technical conditions to empanelled agencies.
- (i) For all items ordered against a tender on a single bidder, only one TPI agency shall be appointed. Accordingly tenders for TPI inspection shall have group wise evaluation, wherein all TPI jobs for supplies from one supplier against one procurement tender shall form one group.
- (j) The bid security requirement shall be exempted for all limited tenders to be invited from the panel of empanelled TPI agencies.
- (k) Scope of work, scope of TPI, Quality Assurance Plan (QAP) and other tender related relevant information for TPI Job will be provided by technical department to tender processing department.
- (l) Giving reference of the contract entered into by Corporate MM/ Onshore & Offshore Engineering Services, the above information will be sent to empanelled agencies by tender processing department. The empanelled agencies will be given 10 days' time to quote.

(MM/116/2023 dated 27.12.2023)

- (m) Since bids shall be invited from empanelled firms, there is no technical qualification documents required to be submitted by bidders. Bidders shall be asked only to confirm acceptance to scope of work for specific jobs and quote their prices accordingly.
- (n) In view of above, Two Bid System would not be relevant for awarding TPI jobs against limited tenders.
- (o) Giving reference of the contract entered into by Corporate MM/ Onshore & Offshore Engineering Services, TPI agencies shall be asked to quote their rate and service tax separately as per the sample price format for the specific TPI job against scope of work for the Contract/purchase order.
- (p) PBG shall be obtained by the respective work centers from the successful TPI agency.
- (q) The Payment to TPI shall be made by the work center as per empanelment conditions.

21.2.3 Except for the situation under para 21.6.2, TPI provisions shall not be applicable to contract for purchase of chemicals wherein procedure for sampling / bonding and lab testing is continuing.

(MM/109/2023 dated 30.10.2023)

21.2.3.1. In addition to provisions under 21.2.1 (paragraph-2) wherever departure from the procedure of TPI is considered essential, specific approval of concerned L-1 should be obtained prior to floating the tender.

21.2.4 The scope of inspection should be elaborated & relevant standard of testing should also mentioned as applicable. This will help the vendors plan for the inspection / quality processes and build the cost of quality or inspection in their bid.

21.2.5 The responsibility for the overall quality management will be with the project manager in case of LSTK projects, which shall be ensured by the TPI agency (or as detailed in the bid).

(MM/91/2023 dated 06.06.2023)

21.2.6 For inspection of fire fighting equipment, fire fighting chemicals and other specialized items, joint inspection by user group and QAD will be conducted.

(MM/27/2017 dated 21.06.2017)

21.2.7 The quality assurance department will not carry out inspection of material after arrival in the warehouse which has already been inspected by TPI. However, ONGC would have the right to inspect/ test the material at destination.

The quality assurance department will not carry out inspection for the following items

- a. All chemicals (except firefighting chemicals) including mud chemicals, oil well cement, paints and gases.
- b. P.O.L.
- c. Building materials including cement and timber.
- d. Seismic explosives and detonators.
- e. Cleaning agents, hand gloves, cotton waste.
- f. Printed stationery.
- g. Wooden planks and coal.

21.2.8 The above items (a) to (g) except (d) shall be inspected by concerned Indentor.

21.2.9 Item at Sl. No. (d) shall be inspected by an official of Indenting department, who is authorized / licensed to handle explosives, by visually checking the items w.r.t verification of quantity (nos.), weight, visual defects, batch nos. etc., and also subject to obtaining an undertaking from supplier to the effect that in case the field performance of such visually inspected items is not satisfactory, the same shall be replaced by the manufacturer at his cost.

21.2.10 For LSTK projects, all works costing above Rs. 1 crore should be subject to TPI so as to ensure compliance with specifications. TPI may be empanelled and should be used for this purpose.

(MM/27/2017 dated 21.06.2017)

21.2.10.1. In case of Offshore / Onshore projects where inspection is envisaged through TPI agency, following guidelines should be followed:

- i. TPI at Onshore / CA at Offshore to carry out equipment inspection at vendor works. TPI at Onshore / TPI and CA at offshore shall carry out inspection during site construction and commissioning.
- ii. The inspection test plan for equipment and QA/QC plan for the project proposed by Contractor to be reviewed by TPI at Onshore / TPI and CA at Offshore. These will be approved by Design Consultant (either in-house or outside DEC) for the project.
- iii. ONGC representatives may be associated in addition to TPI for Onshore Projects / TPI and CA for Offshore Projects for carrying out inspection of critical equipment at vendor works/fabrication yards and critical site activities for the purpose of project monitoring and control.
- iv. During Factory acceptance test (FAT) of critical equipment, ONGC representative may be associated in addition to TPI at Onshore / CA at Offshore for witnessing the test.
- v. Quality Audit shall be performed for all Onshore Projects as per practice being followed by Offshore Engineering Services. Quality Audit Team consisting of personnel from Offshore / Onshore Works, Design Consultant and respective Assets may be constituted by Chief of Onshore / Offshore Engineering Services. Periodicity of such Audit shall be once in three months.
- vi. In case of major observation on deficiency in quality, business dealings with concerned TPI agency shall be suspended pending enquiry into the matter. In case after completion of enquiry it is established that the concerned agency, performed inspection in deficient manner and not in accordance with the ONGC requirement, business dealings with that TPI agency shall be banned for a period of two years from the date of issuance of suspension orders. The suspension/banning process against the TPI agency shall be initiated as per existing provisions.

(MM/109/2023 dated 30.10.2023)

- vii. For incorporating contract conditions for associating ONGC representative as per (iii) and / or (iv) above involving activities by ONGC representative within India/abroad, approval of concerned L-1 shall be obtained before floating the tender.

21.2.11 For works / projects costing below Rs. 1 crore, the inspection may be carried out either by user group / Indentor. However, in such cases, if it is essential to carry out inspection through TPI, before floating tender approval of concerned L-1 shall be obtained giving valid and justified reasons.

21.2.12 In case of manufacture of critical items ordered against ICB/LICB tender, if required, condition may be incorporated in the purchase order that TPI agency may be engaged for inspection during or after completion of each pre-specified stage. In case of Domestic tenders, similar condition may be incorporated in the PO that QAD may carry out inspection during or after completion of each pre-specified stage.

For cases involving deputation of ONGC representative abroad along with TPI for joint inspection, approval of concerned L-1 shall be obtained before floating the tender.

(MM/69/2021 dated 20.08.2021)

21.2.13

(a) Wherever inspection by TPI agency is involved, TPI agency will provide scanned copy of physically signed final inspection report alongwith Inspection release note to Indentor, whose contact details should be provided to TPI agency while engaging them for an inspection. Warranty & Guarantee Certificate alongwith any other document required as per purchase order provisions/QAP/Scope of Inspection shall be obtained by TPI agency from the supplier/contractor and these documents shall form part of TPI report. TPI agency shall provide the same to ONGC.

Indentor will review from TPI report that Inspection has been carried out as per QAP/Scope of Inspection.

In case of any discrepancy, the same will be conveyed to the TPI agency within 2 days from the date of receipt of TPI report for making the same good and thereafter TPI agency shall immediately send the modified inspection report to ONGC. Based on the final acceptable Inspection report (scanned copy of physically signed report) received from the TPI agency, the Indentor shall release QCC through system within 3 working days. Digitally signed QCC certificate issued by ONGC shall be sent to the TPI agency. However, responsibility of carrying out the inspection as per the scope of inspection/QAP/Purchase order provisions will be that of TPI agency. TPI agency will hand over TPI report along with digitally signed QCC certificate issued by ONGC to the Supplier. Above provisions shall be made part of TPI / QAD scope.

Cases where TPI is not involved and inspection is done by Inspection authority (QAD/Indentor), inspection report(QCC) shall be issued by Inspection Authority only after receipt of acceptable Warranty/Guarantee Certificate alongwith any other document required as per purchase order provisions/QAP/Scope of Inspection from the supplier/contractor.

However, In import of goods involving LC payment where source inspection by QAD/TPI/Indentor is not involved (e.g. OEM spares),), QCC Certificate by ONGC will not form part of payment documents but Warranty/Guarantee Certificate and Certificate of test/ inspection from manufacturer' shall be part of negotiable documents.

TPI report (wherever applicable), warranty certificate alongwith any other document required as per purchase order provisions/QAP/Scope of Inspection will be uploaded under QCC certificate in SAP system by Indentor/QAD, as the case may be.

In case Regional Chemical Lab (RCL) is raising QCC in the system, they shall also comply above provisions.

- (b) Warranty & Guarantee Certificate, alongwith any other document required as per purchase order provisions/QAP/Scope of Inspection shall be obtained from supplier/contractor by the inspection authority(e.g. QAD/Indenter/TPI) during inspection (final inspection wherever stage wise inspection is involved), it shall be made part of TPI / QAD scope.
- (c) For delay by TPI agency in submitting TPI report to ONGC, deterrent provision in TPI contract shall be incorporated i.e. a warning shall be issued to such TPI agency by dealing officer of the procurement case.

21.3 Inspection of materials

- 21.3.1** Petty purchases costing upto Rs.25,000 will be accepted after inspection by end user / indentor.
- 21.3.2** For chemicals / spares, inspection for orders of all values should be carried out as per the requirement mentioned in their chapters.
- 21.3.3** For inspection of items costing above Rs.25,000, the QAD / TPI will be responsible (as mentioned in the order / contract)

21.4 Inspection Process

- 21.4.1** All steps must be taken to commence inspection within 3 working days after the receipt of the intimation from the Materials Section/supplier for items to be inspected locally and within 10 working days if the materials to be inspected are located out of station. Reasons for delay in the inspection beyond this period should invariably be reported to the Head of concerned Materials Management, Head of Quality Assurance Department and concerned key executive. Inspection report (or, Intimation in respect of rejection of material) should be sent to supplier by the inspecting authority within 4 working days after completion of inspection / receipt of relevant test reports (if any), under intimation to concerned sections (including purchaser, Indentor, consignee and payment authority).
- 21.4.2** In the case of imported stores and spares manufactured abroad by reputed manufacturers and accompanied by the manufacturer's warranty, stores may be accepted after random sampling / visual inspection by QAD after inspecting physical condition and quality.
- 21.4.3** In case where cost of inspection is not commensurate with the value of the stores, inspection may be carried out at destination with the approval of competent purchase authority.
- 21.4.4** All the cases / packages are to be opened in the presence of Inspecting Officer.

21.5 Inspection and rejection of Materials by Consignee(s)

(MM/47/2019 dated 31.01.2019)

(MM/83/2023 dated 23.01.2023)

- 21.5.1** When materials are rejected by the consignee, the Materials Management Officer concerned will intimate to the contractor the details of such rejected stores, as well as the reasons for their rejection and that the materials are lying in the consignee's premises at the risk and cost of the contractor. He will also call upon him either to remove the materials or to give instructions as to their disposal within 14 days and in the case of dangerous, infested and perishable stores within 48 hours, failing which the consignee will either return the materials to the contractor freight to pay or otherwise dispose them of at the contractor's risk and cost. The Materials Management Officer will also intimate to the Finance and Accounts Officer concerned the quantity of the materials rejected to enable him to recover the freight due at the full public tariff rates from the contractor. The purchaser shall also be entitled to recover handling and storage charges for the period, during which the rejected stores are not removed @ 5% of the value of materials for each month or part of a month till the rejected materials are finally disposed off.

In case of Chemicals para no, 21.7.1(ii) and (iii) shall be applicable.

(MM/47/2019 dated 31.01.2019)

(MM/83/2023 dated 23.01.2023)

21.6 Procurement and inspection of oil field chemicals.

- (i) In the case of low quantity and low value chemicals, proprietary chemicals and new chemicals for which standardized specifications have not been formulated, the User/Indentor at the concerned work centre (Asset/Basin/Plant/Institute/ Services) can formulate the specifications including the modalities of testing and also the packing and marking details in consultation with Chief Labs and get the same approved by the concerned Level-I executive of the work centre (Asset/Basin/Plant /Institute/ Services) before forwarding it to Material Management Dept. along with the indent for taking procurement action.
- (ii) Procurement method to be followed for chemicals will be the same.

For procurement of chemicals, submission of test report along with bid shall not be required / mandatory. However, in respect of performance chemicals, in case a bidder wishes to get their material tested in ONGC lab on payment basis before submission of their offer, then such facility on payment basis shall be available.

- (iii) Laboratories of repute in the country for testing of chemicals required by ONGC will be inspected and those found upto the mark approved by the authority (ies) so decided from time to time for this purpose by Director (T&FS) in consultation with Director (Exploration) for different chemical(s) / group(s) of chemicals. Capacity and capability of laboratories before empanelment will invariably be verified. Test reports of the samples not found up to the mark will be notified to the concerned manufacturer / their authorised dealers so as to enable them to improve their products.
- (iv) Payment and Delivery and Tracking process will be the same as indicated in the section on payment procedure
- (v) For procurement of chemicals from indigenous sources, in order to ensure that single point responsibility is vested with the vendor till delivery of material to ONGC, the placement of order shall be done on FOR destination basis ONLY (Not on Ex-works basis plus transportation through AITMT contract)

Applicable in the case of Chemicals procured from indigenous sources, where Source Sampling, Bonding, testing is involved:

For LD purpose, date of offering the material for Sampling / Bonding shall be considered as date of delivery, if the sample drawn passes in the lab test. If the sample fails in the lab test, fresh date of offering of material for sampling / bonding for which the sample passes in the lab test, shall be considered as date of delivery.

- 21.6.1 Sampling procedure will be as per the requirement of the Inspection Authority. This should however be shared upfront at the time of tendering.

- 21.6.2 In all cases where chemicals are to be imported sampling, bonding, testing, de-bonding and supervision of dispatch of Chemicals shall be carried out through a TPI agency, which shall be engaged/hired and paid by ONGC.

TPI agencies for testing of Chemicals shall be empanelled centrally by corporate MM. The quotation from such empanelled TPI agencies shall be sought on case to case basis by the concerned section as per provisions under para 21.2.2.

A sampling and testing plan (QAP) to be followed by TPI agency should be worked out for every item and same should be incorporated in the tender document / purchase order placed on a chemical vendor. Like-wise, the work order on TPI agency should categorically indicate the QAP, the detailed scope of TPI and the deliverables required from them.

21.7 Sampling, bonding, testing, de-bonding and dispatch of bulk chemicals

21.7.1(i) For imported Supplies:

A TPI agency shall be deputed for sampling, bonding, testing & issuance of test report, de-bonding of chemical if the same passes in lab test and supervision of dispatch of chemicals at supplier's end, which shall be engaged/hired and paid by ONGC.

TPI agency will be accountable for proper quality check as well as bonding/de-bonding and supervision of dispatch of chemicals.

In order to ensure dispatch of material by the supplier in the presence of TPI agency deputed abroad for sampling, bonding, testing & issuance of test report, de-bonding and dispatch of chemicals, suitable provisions will be made in supply order that the supplier shall dispatch material in the presence of the TPI agency deputed for sampling, bonding, testing & issuance of test report, de-bonding and supervision of dispatch of chemicals and the supplier should ensure availability of containers before sending inspection call to ONGC, enabling sealing of containers for dispatch in the presence of TPI agency deputed by ONGC.

The TPI agency will ensure that supply of chemicals is in manufacturer's original packing as specified in the supply order. Each bag / drum of the product should bear mark of the manufacturer, name of the chemical, Lot No, Batch No., date of manufacture and Supply order No.

Testing of the samples will be carried out in the manufacturer's test labs. It should be ensured by purchaser that the TPI for the required purposes is deputed within 15 days of receiving notification from supplier. All delays must be brought to the notice of L-1 for expediting the same.

Note : Till the time exercise for empanelment of TPI agencies is completed, the following prevailing practice as contained in the following provisions shall continue

A Chemist shall be deputed abroad for sampling, bonding, testing, de-bonding and dispatch of chemicals at supplier's end only if the lot value in a PO exceeds US\$ 1 million; the chemist will be accountable for proper quality check as well as bonding.

For despatch of material by the supplier in the presence of team of officers deputed abroad for inspection, testing and bonding, each case will be decided on merit after taking into consideration the position of availability of ships etc.

In order to ensure despatch of material by the supplier in the presence of ONGC's representative deputed abroad for sampling, bonding, testing, de-bonding and dispatch of chemicals, suitable provisions will be made in supply order reserving ONGC's right to ask the supplier to despatch material in the presence of the representative of ONGC deputed abroad for sampling, bonding, testing, de-bonding and dispatch of chemicals and the supplier should ensure availability of containers before sending inspection call to ONGC, enabling sealing of containers for dispatch in the presence of ONGC's representative(s).

For the supplies where the lot value in a PO less than US\$ 1 million, supplier shall be asked to provide satisfactory manufacturer test certificate

However, the supplies will be tested and inspected on receipt before taking the material on charge. This process will not take a period of more than 30 days. No Chemist for sampling and bonding in these cases will be detailed. However, the supplier will be asked to give a certificate to the effect that the product in question has been tested by the ONGC approved laboratory. Each packing will bear mark of the manufacturer as well as name of the Chemical, Lot No. / Batch No., Date of manufacture and supply order number.

In cases where ONGC Chemist is required to be deputed abroad for sampling, bonding, testing, de-bonding and dispatch of chemicals, all necessary formalities such selection of Chemist to be deputed, obtaining necessary approvals etc. should be completed well in advance, so that the chemists are deputed within 21 days from the date of receipt of inspection call from the foreign suppliers.

(MM/67/2021 dated 28.07.2021)

(MM/83/2023 dated 23.01.2023)

(MM/91/2023 dated 06.06.2023)

(MM/96/2023 dated 31.07.2023)

21.7.1(ii) **Destination Sampling and testing of chemicals procured from Indigenous sources.**

Destination sampling and testing shall be carried for all the chemicals procured from indigenous sources (whether against NCB or ICB or any other type of tenders, including those centrally procured by Corporate MM), except Chemicals listed at para 21.7.1(iii) and Fire Fighting Chemicals.

In above type of cases, provisions shall be incorporated that each packing will bear mark of the manufacturer as well as name of the Chemical, Lot No. / Batch No., Date of manufacture and supply order number. The supplies will be tested and inspected on receipt before taking the material on charge by ONGC. Samples shall be drawn jointly by a team consisting of Chemist and In-charge warehouse (or his authorized representative of minimum E0 level) from ONGC. Supplier shall depute its representative at its own cost for witnessing sampling of chemicals at destination, for which an intimation shall be given by ONGC to the supplier. However, in case

supplier do not depute its representative within time specified in intimation, ONGC shall carry out sampling without presence of supplier's representative.

Further, in case material is not found conforming to the specification, the supplier shall lift the material within two weeks from the date of intimation at supplier's cost. In case the material is not lifted by the supplier within two weeks, ONGC may decide to return rejected material to supplier on freight to pay basis at risk and cost of the supplier. Further, Supplier will replace the material at its cost within delivery schedule, failing which provision of "Failure and Termination Clause/ Liquidated Damages Clause" of Tender document will be applicable. Supplier shall provide an undertaking to this effect along with bid.

In order to ensure that payment to the supplier is not delayed and the consumption of the chemicals begins at the earliest, the process of sampling and testing at destination shall be completed within 16 days of the arrival of chemicals at destination as per SOP. For cases where time in excess to 16 days is envisaged approval of Chief Labs shall be obtained with proper justifications.

No Chemist for sampling and bonding in these cases will be deputed at firm's premises.

Total Five bulk samples will be drawn during sampling / bonding. The bulk samples taken at destination will have the seal and signatures of the party and ONGC (both Chemist and I/c warehouse (or his authorized representative of minimum E0 level)). However, in case supplier do not depute its representative within time specified in intimation by ONGC regarding sampling, ONGC shall carry out sampling without presence of supplier's representative and such bulk samples shall bear seal of ONGC only with signatures of both the Chemist and I/c warehouse (or his authorized representative of minimum E0 level).

Two (2) samples will be sent to lab for test, one (01) sample will be given to supplier, one (01) sample will be retained with Chemistry Dept. and the fifth one (01) will be kept with I/c warehouse. Chemistry Dept. Shall forward the samples directly to the laboratory and send intimation to the Purchase Dept. regarding forwarding of samples to the laboratory for testing.

While taking out Samples from the warehouse, entry in this regard shall be made in the register available with Security (who will put security stamp on the samples) at the Warehouse.

In all cases where sample has passed the test and there is no dispute, the sample will be destroyed after six months from the date of receipt of corresponding bulk consignment at the Project. In case of any dispute, these samples shall be retained till resolution of said dispute. Destruction / non-destruction of such samples shall not override the supplier's obligations under warranty / shelf life or any other supply order conditions.

Standard Operating Procedure (SOP) for the destination inspection i.e. sampling & testing of Chemicals and payment thereof along with roles, responsibilities and the timelines for completion of respective activities including payment has been enclosed at Appendix 17.

Note:

In case of centrally procured chemicals from indigenous sources wherein delivery to multiple consignee is involved, it shall be stipulated in tender conditions and PO that material delivered to each consignee would be considered as an independent and separate lot and there shall be no linkage with material delivered to another consignee. Further bulk sample test result of a consignee would be treated as unique and distinct and same shall not be referenced to or compared with bulk sample test result of another consignee.

21.7.1.(iii) Source Sampling, Bonding, De-Bonding and Testing of Chemicals procured from Indigenous sources.

1. Source Sampling, Bonding, De-Bonding and testing of chemicals procured from Indigenous sources will be carried out for following items (whether against NCB or ICB or any other type of tenders, including those centrally procured by Corporate MM) and their testing will be carried out at the designated lab mentioned against them:

Sl. No.	Name of Chemical	Designated ONGC Lab (RGL / IDT) for testing
Category 'A' item		
1.	Barytes	Chennai
2.	Bentonite	Vadodara
3.	Resinated Lignite	Vadodara
4.	Chrome Lignite	Vadodara
5.	Limestone Powder	Sivasagar/Panvel/Vadodara/Chennai/IDT/Rajahmundry *
6.	Calcium Carbonate (Micronised)	Sivasagar/Panvel /IDT *
7.	Potassium Chloride	Vadodara/Panvel/IDT *
Other than Category 'A' item (used in EOR schemes which are purchased in bulk)		
8.	Alkali Soda Ash	Vadodara
9.	Surfactants	Vadodara

In case of emergent stock issues, if it is difficult to approach designated RGL located at distant place, for testing, in such cases nearest RGL can also be approached for testing.

(MM/113/2023 dt. 08.12.2023)

* In respect to items at Sl 5,6,7 of above table, at the time of placement of the order depending on the consignees and the quantities, one lab out of the RGL's/IDT shall be proposed by Dealing Officer/ PEC and approved by CPA.

2. A TPI agency shall be deputed for sampling, bonding of above Chemicals and if same passes in Lab test, debonding of Chemical and supervision for dispatch of chemicals at supplier's end shall also be done by TPI agency, which shall be engaged/hired and paid by ONGC.

TPI agencies shall be empanelled centrally by Corporate MM.

Testing of the samples will be carried out in the designated ONGC labs. It shall be ensured by concerned Chemistry Department and purchaser that after the call for sampling/bonding is given by Supplier, the TPI agency shall be deputed within 7 Calendar days. Similarly, after the sample passes the Lab test, TPI shall be deputed within 7 Calendar days for debonding & dispatch of the material.

Note: Till the time exercise for empanelment of TPI agencies for source inspection of chemicals procured from Indigenous sources is completed, the prevailing practice of destination inspection shall be continued. However, testing shall be carried out in designated ONGC Labs as brought out in para 21.7.1(iii) -1 above for items mentioned therein.

3. A sampling, Bonding, De-bonding and supervision of Dispatch Plan /Process to be followed by TPI agency should be worked out for every item and same should be incorporated in the tender document / purchase order placed on a chemical vendor.

The work order on TPI agency should categorically indicate the detailed scope of TPI and the deliverables required from them.

4. Total Four bulk samples will be drawn during sampling / bonding. The bulk samples taken at Source will have the seal and signatures of the party and authorised representative of TPI agency.

Two (2) samples will be sent to lab for test, one (01) sample will be given to supplier, one (01) sample will be given to Chemistry Dept. by TPI Agency.

TPI Agency shall forward the samples directly to the ONGC designated laboratory, ONGC Chemistry Department, as specified in the Purchase Order and also send intimation to the Purchase Dept. regarding forwarding of samples to the laboratory for testing and other authorities as mentioned above.

In all cases where sample has passed the test and there is no dispute, the sample will be destroyed after six months from the date of receipt of corresponding bulk consignment at the Project. In case of any dispute, these samples shall be retained till resolution of said dispute. Destruction / non-destruction of such samples shall not override the supplier's obligations under warranty / shelf life or any other supply order conditions.

5. TPI agency will be responsible for proper sampling, bonding of Chemicals, safe dispatch of the samples to designated ONGC Labs, and if sample passes in Lab test, debonding of chemicals and TPI agency shall also supervise dispatch of Chemicals at supplier's end.

In order to ensure dispatch of material by the supplier in the presence of TPI agency deputed for sampling, bonding, de-bonding and supervision of dispatch of chemicals, suitable provisions will be made in supply order that the supplier shall dispatch material in the presence of the TPI agency deputed for sampling, bonding, de-bonding and supervision of dispatch of chemicals.

After de-bonding, the dispatch shall be done by the Supplier in the presence of the TPI agency and the time limit from de-bonding, during which the materials shall be dispatched by the supplier after the sample has passed in the Lab test, shall be clearly mentioned in the tender itself depending on the Lot size, mode of transport and type of chemical etc.

The supplier should ensure availability of requisite transport after passing of sample in lab test and arrange for debonding /dispatch of materials in the presence of TPI agency deputed by ONGC.

6. The TPI agency will ensure that supply of chemicals is in manufacturer's original packing as specified in the supply order. Each bag / drum of the product should bear mark of the manufacturer, name of the chemical, Lot No, Batch No., date of manufacture and Supply order No.

7. Testing of the samples will be carried out in the designated ONGC Labs.

8. No Chemist for sampling and bonding in these cases will be deputed at firm's premises.

Note (Applicable to both 21.7.1(ii) and 21.7.1(iii)):

In cases of source/destination sampling, where samples have been collected by an ONGC official, same official shall not be deputed for testing of such samples. Similarly, in case of material inspected at source, official deputed for sampling at source shall not be deputed for sampling of same lot at destination, if so required.

MM/91/2023 dated 06.06.2023

21.7.1.(iv) Sampling, bonding, testing and de-bonding of indigenous sourced Fire Fighting Chemicals.

- (i) In all cases for procurement of indigenously sourced Fire Fighting Chemicals, sampling, bonding, de-bonding of Fire Fighting Chemicals shall be carried out at firm's premises by an Inspecting Authority comprising of representative from QAD & Fire Services (Indenting Section).
- (ii) Inspecting authority will ensure that supply of Fire Fighting Chemicals is in manufacturer's original packing as specified in the Purchase Order. Each bag / drum of the product should bear mark of the manufacturer, name of the chemical, Lot No, Batch No., date of manufacture and Purchase order No.. Testing of the samples will be carried out in the Testing Laboratory specified by Corporate Fire Services. It should be ensured by the purchaser that the Inspecting Authority for the required purposes is deputed within 15 days of receiving notification from supplier. Supplier shall offer the entire material in a single lot only and the quantity required for sampling shall be indicated in Technical Specifications.
- (iii) Samples shall be drawn by Inspecting Authority in presence of Manufacturer's and/or supplier's representative. Scale of sampling shall be as per ONGC's Technical Specifications. After drawl of samples from the lot, all consignment shall be bonded properly with seal and signature by the Inspecting Authority.
- (iv) In case manufacturer is not a supplier, then the supplier shall depute its representative at its own cost for witnessing sampling of chemicals at manufacturer's premises, for which an intimation shall be given by ONGC to the supplier. However, in case supplier does not depute its representative within

- specified time, the Inspecting Authority shall carry out sampling in presence of manufacturer's representative.
- (v) Total Four (04) bulk samples as per specifications will be drawn during sampling. The bulk samples shall have the seal and signatures of the manufacturer, supplier (in case manufacturer is not a supplier) and Inspecting Authority. However, in case supplier does not depute its representative within specified time, then bulk samples shall bear seal and signatures of Inspecting Authority & manufacturer only. Two (02) sealed samples will be sent to designated lab for test, one (01) will be kept with Inspecting Authority and another one will remain with the manufacturer/supplier. Inspecting Authority shall forward the samples directly to the testing laboratory and send the intimation to the Order Placing Authority regarding forwarding of samples for testing to the Laboratory. Inspecting Authority will prepare and forward sampling report alongwith the samples to the Testing lab.
 - (vi) Inspecting Authority will witness the Fire Performance Test as per approved QAP & Technical specifications at Testing Laboratory. Inspecting Authority will issue QCC on the basis of lab test report (in both the case whether the samples passed or failed).
 - (vii) Based on the satisfactory test report and issue of QCC by Inspection Authority, the representative of Fire Services will undertake the process for de-bonding of material at firm premises for dispatch to concerned work centres. The representative of Fire Services will provide prior intimation to supplier, Order Placing Authority and Corp. Fire Services regarding date for de-bonding.
 - (viii) Charges for testing and transportation of samples to Testing Lab as well as to the work centre will be borne by ONGC. Location of work centres where samples are to be sent, will be decided by Inspecting authority.
 - (ix) Decision of the Inspecting Authority regarding acceptance/rejection of materials shall be considered final and binding on the supplier.
 - (x) Material should be packed and marked in accordance with requirements defined in the Technical Specifications.
 - (xi) In case material is not found conforming to ONGC Technical specifications, the supplier shall re-offer the material at supplier's cost within four weeks from the date of intimation about rejection of sample. In such case, process as mentioned above for sampling, bonding, testing and de-bonding will be followed. However, testing charges and transportation of samples at the lab and work centre for the reoffered material will be borne by the supplier along with actual cost of inspection incurred/suffered by ONGC. In case, the material is not reoffered by the supplier within four weeks, ONGC may decide to terminate the contract. Supplier shall provide an undertaking to this effect along with bid.
 - (xii) Rejection of samples in two consecutive occasions may result into cancellation of purchase order and forfeiture of performance bank guarantee/security deposit.
 - (xiii) In all cases where sample has passed the lab test and there is no dispute, the sample will be destroyed after six (06) month from the date of receipt of

corresponding bulk consignment at the work centre. In case of any dispute, these samples shall be retained till resolution of said dispute. Destruction / non-destruction of such samples shall not override the supplier's obligations under warranty / shelf life or any other supply order conditions.

- (xiv) Provisions under Para 21.8 below shall not be applicable for indigenous sourced Fire Fighting Chemicals.

21.8 Rejection of sample

(MM/96/2023 dated 31.07.2023)

- 21.8.1** The materials rejected by the Inspection Officer during this inspection will be replaced/reoffered by vendor within the delivery schedule of Purchase Order failing which provision of "Failure and Termination Clause/ Liquidated Damages Clause" of Tender document will be applicable. Any rejection by Inspecting Officer shall be considered final and binding on the vendor and such terms should be included in the contract.

(MM/115/2023 dated 26.12.2023)

- 21.8.2** In the event of bulk sample getting rejected, the supplier can opt for any of the two following options:

(Option-I) Supplier may get the same material re-sampled and re-tested in his presence from the same laboratory where it was tested earlier.

(Option-II) Supplier may lift the failed material, re-process it and re-offer. Supplier will replace the material at its cost within delivery schedule, failing which provision of "Failure and Termination Clause/ Liquidated Damages Clause" of Tender document will be applicable.

In either of the above options, item will be re-sampled and re-tested. If even the re-offered material under Option-I or re-processed and re-offered material under Option-II fails, following action shall be taken :-

- a. Incident shall be raised in GeM portal if the tender is being processed through GeM.

However, in case tender is being processed under ONGC e-tender portal, the supplier on his part will be debarred from participating in ONGC tenders for a period of one year.

(Following provision applicable for tender being processed through GeM as well as ONGC e-tender portal)

- b. Failure of two consecutive lots may result into cancellation of purchase order and forfeiture of Performance Security (PS).

21.9 - Deleted – (covered under modified 21.7.1)

21.10 Random Sampling

21.10.1 For the material inspected at source, suitable provision shall be made in supply order that ONGC reserves the right to carry out random sampling at destination in the presence of supplier's representative. However, in case supplier does not depute its representative within time specified in intimation by ONGC regarding sampling, ONGC shall carry out sampling without presence of supplier's representative. The samples so collected shall be tested at designated ONGC Labs. Random sampling will be done on the basis of specific approval of the concerned key executive. Rejected materials shall be replaced by the supplier free of cost.

21.10.2 It will be a condition of the contract that supplies not found as per requirement at destination will be replaced free of cost by the supplier.

21.11 Sub-standard Delivery of Items and Services

21.11.1 Substandard quality of supply

(MM/04/2015 dated 28.04.2015)

(MM/112/2023 dated 30.11.2023)

- a. For normal procurement of items, substandard items should not be accepted. However, in exceptional circumstances, materials under deviation in specification may be accepted on the recommendations of a committee consisting of one representative each from Materials Management, Finance and Indentor (Chemistry in case of chemicals) at the level next below the level who is empowered to approve the rates for sub-standard materials. The rates for sub-standard supplies will be approved in each individual case by Authority one level above CPA in whose powers the purchase falls. Concerned L-1 shall have full power in this regard. In all such cases, the quantum of price reduction will be determined after taking into account the loss in utility as assessed by the indentor. Such material shall be accepted only after ensuring of cost benefits to ONGC
- b. However in case of substandard supplies of chemicals penalty should be appropriately levied. Also, in case there are instances of repeatedly supplying substandard stock of chemicals, the vendor should be banned.

21.11.2 Avoidance of sub-standard work / service

- a. The contractors are required to execute all works according to the specifications laid down, and in a proper workmanlike manner. There shall be no compromise on the quality of work.

- b. If certain items of work are done below specifications, and/or if they have not been done in a proper workmanlike manner, the contractor should be immediately asked to rectify or re-do them according to the specifications and according to sound engineering practice. All such defects/deficiencies in the items of works are to be noted in time and notified to the contractor.

21.11.3 Acceptance of sub-standard work

- a. It will be duty of the project in charge / TPI agencies to check that the work done is as per specifications laid down in the contract. Normally below specification/ defective/ below acceptable levels of workmanship shall not be accepted and shall be rectified/ re-done during the progress of the work itself. Only in exceptional circumstances should the work be accepted and reduced rate should be worked out.
 - b. Exceptional circumstances for acceptance of work below specifications and/or below acceptable levels of workmanship, and the resulting payment at reduced rates for such defective/deficient works should be resorted to only for those items where materials conforming to the required specifications are not available, or where it is structurally impossible to get the work re-done or where in opinion of Engineer in charge it is expedient to do so.
 - c. While accepting such sub-standard work, it shall be ensured that the structural integrity and functional and aesthetic requirements are not compromised.
- (MM/112/2023 dated 30.11.2023)*
- d. The competent authority to approve reduced rate in above circumstances shall be one level above CPA and concerned L-1 executive shall have full powers in this regard.
 - e. Amount of compensation recoverable in case of default shall be determined by the conditions of the contract governing the supply.

21.11.4 Full rates, as per contract/supply order should be allowed only if the work or supply has been accepted as of required quality and specification.

21.11.5 If the contract is determined, or an on account payment is to be made when the contract is to run, a part rate as considered reasonable shall be allowed with due regard to the work remaining to be done and general terms of the contract, and after getting the part rate statement approved from the bill passing authority.

21.12 Packing Instructions: Packing instructions as notified by the Chief-Labs for each category of chemicals shall be suitably incorporated in the POs.

22 Payment Procedure

22.1 Payment Process

- 22.1.1 The payment process for any contract should be linked to the delivery / milestone schedule and should be aligned upfront with the vendor / contractor.

(MM/10/2016 dated 23.03.2016)

- 22.1.2 Save as otherwise provided in the tender/contract conditions, no payments shall become due and payable to the Vendor / Contractor until contract is signed.

(MM/69/2021 dated 20.08.2021)

(MM/113/2023 dt. 08.12.2023)

- 22.1.3 In the interest of expeditious release of payment, an indicative list of various documents, which would be required to be submitted along with the original invoice has been incorporated in the standard tender conditions for procurement of goods and services. However, against each tender, **BEC Formulation Committee** should deliberate on the said indicative list of documents and select the appropriate documents as applicable for the respective case and incorporate the same suitably in the Bid document / Purchase Order, after making necessary additions/deletions. **BEC Formulation Committee** shall ensure that the documents which are not applicable for a particular tender, should not be incorporated from the indicative list or otherwise. At a later stage, if any change in documentation is required during execution of the contract, **Procurement Evaluation Committee** of the same level should deliberate and incorporate such changes in the contract, with the approval of CPA (for which, concerned L-1 Executive shall have full powers). For the cases valuing below Rs 10 lakhs, where no **BEC Formulation Committee/Procurement Evaluation Committee** is held, CPA in consultation with associated Finance shall decide such list of documents to be submitted along with the original invoice.

22.2 Milestone Payment

- 22.2.1 Milestone payments can be made after taking into account for any financial penalties if any.
- 22.2.2 The amount of LD shall however be withheld / deducted (as the case may be), by finance, from the bills of supplier / contractor, while releasing payments as per terms mentioned in the contract.
- 22.2.3 Adjustment to Contract Price, if any, shall be made in accordance with provisions of Contract.
- 22.2.4 Milestone payment formula is built in for all procurement.
- a. In case of goods, this should be done when control of handling / storing of goods passes to ONGC. When items are being directly shipped to the

warehouse by the supplier themselves, this can happen after acknowledgement of receipt of goods has been provided by ONGC. Suitable remedies can be taken by the supplier to ensure goods are of adequate quality. In the case of ICB items, this can happen once control of goods passes to ONGC (at port / ex works).

No payment should be made when the control of goods is still with the supplier.

- b. For service (hiring of rigs, hiring vessels), this can be linked to passing of certain number of days / period of operations.
- c. For LSTK projects or works, progressive payments for the part executed by the Contractor shall be made on the basis of said work completed and certified by the Project Manager/Project Coordinator as per the milestone payment formula / detailed measurements of items executed taken jointly by the contractor and the Project Coordinator or their authorized representative.

22.2.5 All the relevant documentation should be completed within 15 days of receipt of application for certification with all required supporting documents.

(MM/50/2019 dated 04.07.2019)

22.2.6 Within 21 calendar days of the receipt of the invoice, the undisputed amount of each invoice so approved / certified, will be released for payment to the vendor / contractor.

22.2.7 Any amount under dispute can be made when the objection has been removed / settled and the vendor / contractor submits fresh invoice for the same.

22.2.8 After due vetting of the documents for change in duties/Taxes under change in law by ONGC, Invoice on account of change in duties/taxes under change in law, shall be submitted by the vendor / contractor after payment of all duties/taxes along with necessary supporting documents in a single invoice.

22.2.9 All the payments shall be remitted to the vendor's / contractor's bank account as per the initial details specified in the bids. The payment shall be made in currencies stated in the Contract. ONGC shall be deemed to have arranged payment of instruction to the vendor's / contractor's bank in the country where the money is required to be paid.

22.2.10 ONGC shall also inform in writing to the vendor / contractor the details of remittance i.e. amount and date.

- a. In case of foreign vendors, bank charges of bank(s) in India shall be borne by ONGC whereas bank charges of bank(s) in vendor' contractor's designated locations, if any, shall be borne by vendor / contractor.

- b. For goods supplied by foreign vendors, payment will be made through LC

22.2.11 In the event of ONGC noticing at any time that any amount has been disbursed wrongly to the vendor / contractor or any other amount is due from the vendor / contractor to ONGC, ONGC may without prejudice to its rights recover such amounts by other means after notifying the vendor / contractor or deduct such amount from any payment falling due to the vendor / contractor. Details of such recovery if any will be intimated in advance. The vendor / contractor shall receive payment of undisputed amount under subsequent invoice for any amount that has been omitted in previous invoice by mistake on the part of ONGC or the vendor / contractor.

(MM/26/2017 dated 21.06.2017)

22.2.12. After receipt of “No Demand Certificate” as per the provisions, extension of Performance Security should not be sought for release of payment to the contractor/supplier.

(MM/69/2021 dated 20.08.2021)

22.2.13 In case of Services/LSTK contract, indenter to ensure the completeness and correctness of complete set of documents as required in the contract before sending the invoice to Finance for payment and shall certify as under:

“Certified that all the documents as required in the contract has been received and found to be in order for processing the payment”

22.2.14 Payment process for cases pertaining to procurement of Chemicals:

(I) In case of foreign suppliers Sampling, Bonding, Testing, De-bonding & Dispatch shall be carried out at firm's premises, and the payment shall be released against LC upon presentation of shipping documents alongwith TPI inspection report conforming to purchase order specifications.

(II) For cases pertaining to indigenous supply of chemicals where the inspection (Sampling and Testing) shall be done at destination, payment shall be released after acceptance of material against receipt of test report conforming to purchase order specifications issued by ONGC/ONGC authorised labs.

22.3 Price escalation and adjustment

22.3.1 Price escalation and adjustment for items and services will be as per terms and conditions mentioned in the respective contract. However, against the Rate Contract for calculating escalation and de-escalation of freight charges on account of variation in the diesel prices or for calculating various charges involved in a contract, due care should be taken while defining various elements of a formula adopted for calculating various charges in a contract. Further, wherever necessary Finance/Legal departments may also be consulted while formulating a formula and the applicable elements, before finally adopting the same.

22.4 Change in taxes and duties and other statutory changes

- 22.4.1 Any changes in taxes, duties or other statutory changes shall be governed as per terms and conditions mentioned in the PO/Contract and BDP provisions vide chapter no. 22.4 regarding enhancement in contract/target value.

22.5 Time Norms for processing of invoices by various sections

(MM/97/2023 dated 07.08.2023)

- 22.5.1 Invoice for Procurement of Materials, where payment is against receipt of Materials

Section

Time Norm

(contracts valuing upto Rs. 10 crore / above Rs. 10 crore)

Inward Section	01 / 01 Calendar Days
Receipt & Inspection Section	03 / 02 Calendar Days
GR Section	04 / 02 Calendar Days
Pre-Audit Section	05 / 04 Calendar Days
Cash & Bank Section	02 / 01 Calendar Days

- 22.5.2 Invoices for Services, LSTK Contracts and Invoice for cases relating to "Direct FI entry"

Section

Time Norm

(contracts valuing upto Rs. 10 crore / above Rs. 10 crore)

Technical / Indenting Section	09 / 06 Calendar Days
Pre-Audit Section	04 / 03 Calendar Days
Cash & Bank Section	02 / 01 Calendar Days

(MM/71/2022 dated 11.01.2022)

22.5.3 Vendor Invoice Management System (VIM System)

- 22.5.3.1 A work-flow based Vendor Invoice Management System has implemented, which is an end-to-end scan-to-post invoicing automation system. Its main feature is OCR, which reads and captures data from the vendor invoices automatically and submit them for further processing in our system to desired location/concerned user in ONGC.

Invoices alongwith supporting documents can be submitted/uploaded through VIMS Portal (<https://vims.ongc.co.in/>), which would be the preferred mode of submission of Invoice. Invoice (PDF digitally signed with class II/ III signature) and supporting documents can be uploaded in VIMS Portal by logging-in with the help of Vendor Code.

However, in case Contractor is not able to submit/upload the Invoice through VIMS portal as mentioned above, Invoice alongwith supporting documents can also be submitted/uploaded in any of the following 2 ways:-

i) **EMAIL channel:** Invoice (PDF digitally signed with class II/ III signature) and supporting documents can be submitted by sending these documents to a designated email-id: ap_invoices[at]ongc[dot]co[dot]in.

ii) Deleted (MM/97/2023 dated 07.08.2023)

22.5.3.2 For PO based invoices, workflow in VIMS is triggered to the concerned officers (i.e. PO Contact Person (designated as Buyer in VIM) and Indenting Person (Designated as Indenter in VIM)), whose detail is mentioned in “Contact Details” Tab of PO Header.

The details mentioned under “Contact Details” Tab of PO Header is to be updated upon transfer or superannuation of officers, whose details are mentioned therein, by Transaction code ZMMPO_CONTACTUPD, without de-releasing purchase order

22.5.4 Vendor Master in respect of particulars of suppliers/vendors (as received in their bids) should be got updated regularly in the ICE system by the concerned dealing officer/payment authority, through the respective officials at each work center who are authorized to update the master data, so that all the payments and refunds are made smoothly through electronic payment mechanism. Bank particulars of bidders / vendors / suppliers / contractors can be entered in the ICE system through the Transaction code – “zmm_vms”.

(MM/69/2021 dated 20.08.2021)

(MM/89/2023 dated 26.05.2023)

22.5.5 After opening of tender, the dealing officer shall ensure that Valid GSTIN, mobile no., e-mail id, Bank details, PAN etc. indicated in the bid are mapped against vendor code of such vendor in the SAP well before placement of NOA / release of PO (wherever PO is placed directly without NOA). In case such details are not provided along with the bid, bidder to be asked to provide the same before placement of NOA, the same shall be updated in SAP on priority by dealing officer before release of PO. The PO can be released only when Bank details, PAN no. and GSTIN no. are populated in the PO being placed on vendor with Indian address in its vendor code.

In case such details (as applicable) are provided by a foreign contractor after placement of NOA, the same shall be updated in SAP on priority by dealing officer to facilitate timely payment.

In respect to Bank details and PAN, the dealing officer will forward the details submitted by supplier to concerned Finance, who in turn will update Bank details and PAN against vendor code in SAP.

22.5.6 As part of bidding requirement, bidders may be asked to also provide details of their Supply / contract executing offices (other than that used for bidding) based on the tender scope of supply / work duly indicating/providing their respective valid GSTIN and Bank account details etc. Vendor codes of such offices, if not available in SAP, shall be got created by dealing officer and mapping of their respective valid GST numbers, bank account details and PAN etc shall be got done before placement of PO/Contract. PAN shall remain same as that of main office of vendor already registered with ONGC. The details of such Supply / contract executing offices shall be indicated in PO / Contract.

Each SAP vendor code can accommodate only one GST, PAN and Bank account no. Currently, SAP PO can accommodate 2 vendor codes using partner function. One on which PO is created and another is Alternate Payee(Payment recipient)/Invoicing party(Invoice presented by) in Partner Function. ICE has developed a table control mechanism in the system where desired vendors codes are entered for allowing multiple payee against a PO no., which may be utilized in such cases.

22.6 Intimation to suppliers/ contractors regarding deduction of payments

22.6.1 Wherever any deduction has been effected from the bill of the contractor, on account of various reasons such as LD, any loss suffered by ONGC, on receipt of defective/substandard material, detailed description and amount of deduction may be formally informed to the supplier/ contractor by the concerned Finance Section clearing the bill.

(MM/69/2021 dated 20.08.2021)

22.7 Roles and Responsibilities in review of payment related documents:

22.7.1 The role and responsibility of different departments in review of payment related documents shall be as under

A. Procurement of Goods

A.1 Applicable for cases involving payment through Bank against proof of dispatch & satisfactory inspection (LSC)

i. Documents received alongwith invoice for payment as per PO conditions:

(a) Bank will forward documents to Finance. Finance shall first review the documents as per terms of payment of the PO. However, (i) in case of some missing document (s) from supplier, matter may be referred to order placing section and /or (ii) if issues related to submitted document require clarification, finance may refer the respective document to the authorities as per matrix.. The respective authority will furnish their clarification/missing documents to concerned Finance immediately

but not more than 2 working days from the date of request from Finance. Finance may take up with bank accordingly.

(b) (Applicable after roll out of VIMS):

Vendors shall be advised to either load complete set of non-negotiable documents (scanned copy of documents submitted to bank for payment) at VIMS portal (<https://vims ONGC.co.in>) or send to mail address specially created for invoice receipt in VIMS in addition to the mail to be sent to various departments as mentioned in the tender condition.

(MM/113/2023 dated 08.12.2023)

Sl. No.	Document (as applicable)	Responsibility of Review	Remarks
<u>1</u>	Tax Invoice (in original)	Finance (Including compliances relating to Direct and Indirect tax matters).	
<u>2</u>	Proof of dispatch (RR/GCN/LR/e-way bill etc.), Copy of the e-way bill / e-way bill number (EBN) wherever required	Purchase Order Placing authority	
<u>3</u>	Proof of insuring material during transit (as per Purchase Order T&C)	Finance	
<u>4</u>	QCC for satisfactory inspection, <u>TPI Report (In case of inspection by TPI agency), _____ Warranty/Guarantee Certificate.</u> Note: TPI report (wherever applicable) and warranty certificate will be uploaded under QCC certificate in SAP system by Indentor/QAD as the case may be.	QAD/Indentor (Authority responsible for raising QCC)	
<u>5</u>	Any other document specifically not mentioned above but which is mentioned in PO payment terms	Indentor / Finance / MM * (as applicable)	
<u>6</u>	(Applicable in case of High Sea Sales) All documents as currently required as per para 29.2.8 of IMM Manual and any additional document deemed necessary to be decided in the BEC Formulation Committee/Procurement Evaluation Committee . Further, responsibility of reviewing those documents also be deliberated and decided in above	---	

	committee considering the payment terms.		
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Remarks:

* Note: **BEC Formulation Committee** should clearly bring out the relevant document (i.e. any other document specifically not mentioned above but which is required to be mentioned in PO payment terms as per deliberations of **the BEC Formulation Committee**) and mention which department will check the document. This information shall be indicated in as an internal note in SAP PO/Contract (which does not appear in print out of PO/contract to the contractor) itself so that compliance is ensured and a mail in this regard shall also be send to concerned officers by dealing officer.

A.2 Cases involving payment after receipt of material at destination (GRV)

i. Documents received alongwith supply as per PO Conditions:
(To be checked by the receiver of goods (In-charge receipt/Indentor, as the case may be))

Sl. No.	Document (as applicable)	Responsibility of Review
<u>1</u>	Copy of Tax Invoice	Receiver of goods (I/c-Receipt/ Indentor, as the case may be) From copy of Tax Invoice only item description, quantity, name of supplier, name of buyer as per P.O will be reviewed by Receiver of goods.
<u>2</u>	Proof of dispatch (RR/GCN/LR/e-way bill etc.), Copy of the e-way bill / e-way bill number (EBN) (Wherever applicable)	
<u>3</u>	Satisfactory inspection report/TPI report & QCC issued by authority mentioned in PO, wherever applicable	Note: Based on the certification from receiver of goods, the concerned store formation (I/c-receipt) raising the GRV shall also check all the documents and prepare GRV as per

ii. Documents received alongwith invoice for payment:
(Tax invoice in original and GRV from the system shall be checked by the - concerned Finance. Rest of the documents stands already checked as per (i) above.)

Sl. No.	Document (as applicable)	Responsibility of Review
<u>1</u>	Goods Receipt Voucher (<u>Not required to be submitted by Supplier</u>)	Finance (in system)

	Raising of GRV shall be the responsibility of stores formation	
<u>2</u>	Tax Invoice (original)	Finance (Including compliances relating to Direct and Indirect tax matters)
<u>3</u>	Proof of delivery in case of direct / door delivery (i.e. GCN/LR/Delivery Challan, duly acknowledged by the consignee.) Copy of the e-way bill / e-way bill number (EBN) (Wherever applicable) <u>(Not required for payment, required only for archival purpose)</u>	----
<u>4</u>	Satisfactory inspection report/TPI report & QCC issued by authority mentioned in PO, wherever applicable <u>(Not required for payment, required only for archival purpose)</u>	----
<u>5</u>	Any other document specifically not mentioned above but which is mentioned in PO payment terms	Indentor / Finance / MM* (as applicable)

Remark:

1. The responsibility to review Invoice and GRV shall be on Finance while releasing payment, rest of the documents will be reviewed by concerned officials during process of inspection, supply, raising GRV etc. and not required to be checked again during payment. Raising GRV shall mean that all the documents except tax invoice have been checked and found in order by the respective authority as per above matrix.

(MM/113/2023 dated 08.12.2023)

* Note: **BEC Formulation Committee** should clearly bring out the relevant document (i.e. any other document specifically not mentioned above but which is required to be mentioned in PO payment terms as per deliberations of **the BEC Formulation Committee**) and mention which department will check the document. This information shall be indicated in as an internal note in SAP PO/Contract (which does not appear in print out of PO/contract to the contractor) itself so that compliance is ensured and a mail in this regard shall also be send to concerned officers by dealing officer.

A.3 (Applicable for Import of goods involving payment through Letter of Credit (LC))

i. Documents as per LC/PO conditions received in case of payment through LC:

- (a) The bank is responsible to make payment to vendor based on the documents submitted as per the LC/contract conditions.

The bank is responsible to make payment to vendor based on the documents submitted as per the contract conditions.

In case the Bank refers the document to finance for clarification/confirmation on certain deficiencies in the submitted documents, then concerned finance may refer the document(s) to the authorities as per matrix for clarification/confirmation. In case of missing document (s) from supplier, Finance will refer the matter to order placing authority. The respective authority will furnish their clarification/confirmation/missing documents to concerned Finance immediately but not more than 2 working days from the date of request from Finance. Finance may take up with bank accordingly.

- (b) (Applicable after roll out of VIMS) Vendors shall also be advised to either load complete set of non negotiable document at VIMS portal (<https://vims ONGC.co.in>) or send documents to e-mail address specially created for invoice receipt in VIMS. This will become part of instruction in all Pos in addition to the mail to be sent to various departments as mentioned in the tender condition.

Sl. No.	Document (as applicable)	Responsibility of Review
<u>1</u>	complete set of clean Bill of Lading /House Airway Bill made to order and blank endorsed wherever applicable. For Air Consignment (documents through bank) Complete set of House Air Way Bill clean on Board made to order and blank endorsed.	T&S section/Authority responsible to get the material released
<u>2</u>	Invoice drawn in the name of ONGC duly signed.	Finance (Including compliances relating to Direct and Indirect tax matters).

	(showing value item-wise as per supply order for customs purposes)	
<u>3</u>	In case spares are supplied free of charge alongwith main equipments, invoice indicating the value of spares also itemwise, with certificate as under: "No commercial value, value is being shown for customs purposes only."	Finance
<u>4</u>	Certificate of test/ inspection from manufacturer	QAD/Indentor i.e.Authority responsible for raising QCC
<u>5</u>	Certificate of warranty from manufacturer	QAD/Indentor i.e.Authority responsible for raising QCC
<u>6</u>	QCC issued by ONGC for satisfactory inspection	QAD/Indentor i.e.Authority responsible for raising QCC
<u>7</u>	TPI Report, wherever applicable	Indentor i.e. Authority responsible for raising QCC
<u>8</u>	Certificate of origin from Chamber of Commerce of the exporting country.	Purchase Order placing authority
<u>9</u>	Packing list package-wise and port/ultimate consignee -wise and container wise	Purchase Order placing authority
<u>10</u>	(wherever applicable) For Shipment of Pipes wise lengths of the pipes for each shipment must be indicated in shipping documents and the total length of pipes each exceeding 12 metres in length must be indicated separately. In case of pipes upto 6" dia; the pipes must be shipped in	Indentor
<u>11</u>	Insurance certificate policy giving all details where insurance is required to be arranged by the SUPPLIER.	Finance

<u>12</u>	<p>Certificate of recent manufacture.</p> <p>(The date of manufacture of the finished product/ item/ equipment/ material supplied is not older than</p>	<p>QAD/Indentor</p> <p>Authority responsible for raising QCC Finance</p>
<u>13</u>	<p>Following Certificate:</p> <p>"Certified that the material covered by invoice has passed the test and inspection and conforms in every way to the correct specifications as per supply order/contract. It is further certified that the invoice and other non-negotiable copies (3 sets) of the documents have been despatched each to Port Consignee and Ultimate Consignee vide letter No.....date....."</p>	<p>QAD/Indentor</p> <p>i.e. Authority responsible for raising QCC</p>
<u>14</u>	<p>Following Certificate:</p> <p>"Supplies both as to quantities and value are in terms of the supply order and we undertake to refund forthwith to ONGC any excess amount claimed outside the terms of the supply order."</p>	<p>Finance</p>
<u>15</u>	<p>Following certificate:</p> <p>"The material covered by invoice has passed test and inspection of manufacturer and conforms in every way to the contract specifications and is packed in accordance with contract requirements. The invoice is correct in every particular and no other invoice except proforma invoice has been tendered previously in respect of the articles charged for."</p>	<p>Purchase Order Placing Authority</p>

<u>16</u>	Following Certificate: "Certified that packing of the material against this supply order has been done Port and Consignee-wise as indicated in the supply order and concerned invoice has accordingly been prepared separately for material shipped Port Consignee wise. It is further certified that box-wise/container-wise list has been sent to Port Consignees."	Purchase Order Placing Authority
<u>17</u>	In case the material is hazardous in nature: Material safety data sheets while dispatching the material.	QAD/Indentor i.e. Authority responsible for raising QCC
<u>18</u>	Any other document specifically not mentioned above but which is mentioned in PO payment terms	Indentor / Finance / MM * (as applicable)

(MM/113/2023 dated 08.12.2023)

*Note: **BEC Formulation Committee** should clearly bring out the relevant document (i.e. any other document specifically not mentioned above but which is required to be mentioned in PO payment terms as per deliberations of **the BEC Formulation Committee**) and mention which department will check the document. This information shall be indicated in as an internal note in SAP PO/Contract (which does not appear in print out of PO/contract to the contractor) itself so that compliance is ensured and a mail in this regard shall also be send to concerned officers by dealing officer.

B. LSTK

Invoice will be submitted by Contractor along with necessary supporting documents as per requirement of Contract through IMS/VIMS to Indenting Section / Project Group. Indenting Section / Project Group, will examine the same and in case all the required documents are submitted and found in order , will certify the Invoice for payment and forward to Finance for releasing payment. Indenting section/Project group to forward the invoice mentioning "Certified that all the documents as required in the contract has been received and found to be in order for processing the payment". Once the invoice and supporting documents are checked and certified by the section as per the responsibility matrix given below, there would not be any need for further review of such document by any deptt. except for calculation checks by finance and other documents if any requiring specific expertise of finance as deliberated in **BEC Formulation Committee**.

Sl. No	Document (as applicable)	Responsibility of Review
<u>1</u>	Tax Invoice (original)	Finance (Including compliances relating to Direct and Indirect tax matters.)
<u>2</u>	Insurance policies, their validity for all and proof of payment of premium only for a, b, & c below, a) Contractors All Risk Insurance, b) Cargo Transit Insurance, c) Third party liability Insurance, d) Automobile and Transportation liability Insurance, e) Workman's compensation/Employer's liability Insurance, f) Insurance policy for Contractor's constructional plant and equipment g) Insurance Policy for Marine Spread (Barges, Vessels, boats, tugs etc.) h) Motor Vehicles Package Policy i) Insurance for workmen engaged under this contract (As applicable).	Indentor
<u>3</u>	Certificate of Acceptance of Successful Completion of Mobilization (Issued by Indentor), <u>wherever applicable</u>	Indentor
<u>4</u>	Milestone completion certificate certified by CA/TPI	Indentor
<u>5</u>	Milestone calculation sheet for the Invoice value as per the contract	Indentor (To be also checked by Finance [#] before payment and in case of discrepancy to be sent back to Indentor for necessary correction and certification)
<u>6</u>	Declaration of Exchange rate –GAAP rate as on the date of Invoice from the contractor(Wherever applicable)	Finance
<u>7</u>	Undertaking of country for import of goods/services (for Form A2)	Indentor
<u>8</u>	Statement of calculation for any other recovery as per contract provision including LD	Indentor (To be also checked by Finance [#] before payment and in case of discrepancy to be sent back to

		Indentor for necessary correction and certification)
<u>9</u>	A. Details of statutory payments like EPF and ESI (and documents thereof) (Services)-Challan	Indentor
	B. Details of statutory payments like EPF and ESI (and documents thereof) (Services)-Data Sheet	Indentor
	C. Any other document as required in connection with statutory payments like EPF and ESI etc. as per Contract conditions	Indentor
<u>10</u>	Undertaking by the contractor regarding compliance of all statutes	Indentor
<u>11</u>	(i) Proof of payment by Contractor of salaries/wages to its personnel (ii) Documents required in compliance to labour law (iii) <u>Certificate</u> by the contractor stating that labour have been paid not less than minimum wages.	Indentor Indentor Indentor
<u>12</u>	Local content related documents(if applicable)	Indentor
<u>13</u>	Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).	Indentor
<u>14</u>	For Foreign contractors, certificate issued under 197/195(2) in accordance with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (if applicable)	Finance
<u>15</u>	Any other document specifically not mentioned above but which is mentioned in Contract payment terms	Indentor / Finance / MM * (as applicable)

***Note1:** No standard document for LSTK contracts is available presently. Based on documents for payment finalised by **BEC Formulation Committee**, responsibility matrix shall be applicable.

BEC Formulation Committee should clearly bring out the relevant document (i.e. any other document specifically not mentioned above but which is required to be mentioned in payment terms as per deliberations of the **BEC Formulation Committee**) and mention which department will check the document. This information shall be indicated in as an internal note in SAP PO/Contract (which does not appear in print out of PO/contract to the contractor) itself so that compliance is ensured and a mail in this regard shall also be send to concerned officers by dealing officer.

#Note 2: In respect to checking of the statements of recoveries, deductions, LD, Mile Stone calculation sheet, etc.by Finance, the scope of the same will be limited only to the calculation part for numerical / arithmetical errors and not the basis of working out / deriving the amounts.

C. Hiring of Services

Invoice will be submitted by Contractor along with necessary supporting documents as per requirement of Contract through IMS/VIMS to Indenting Section / Project Group. Indenting Section / Project Group, will examine the same and in case all the required documents are submitted and found in order , will certify the Invoice for payment and forward to Finance for releasing payment. Indenting section/Project group to forward the invoice mentioning “Certified that all the documents as required in the contract has been received and found to be in order for processing the payment”. Once the invoice and supporting documents are checked and certified by the section as per the responsibility matrix given below, there would not be any need for further review of such document by any deptt. except for calculation checks by finance and other documents if any requiring specific expertise of finance as deliberated in **BEC Formulation Committee**.

Sl. No.	Document (as applicable)	Responsibility of Review
<u>1</u>	Tax Invoice (original)	Finance (Including compliances relating to Direct and Indirect tax matters.)
<u>2</u>	Insurance policies, their validity for all and proof of payment of premium only for a, b, & c below, a) Contractors All Risk Insurance, b) Cargo Transit Insurance, c) Third party liability Insurance, d) Automobile and Transportation liability Insurance, e) Workman's compensation/Employer's liability Insurance,	Indentor

	<p>f) Insurance policy for Contractor's constructional plant and equipment</p> <p>g) Insurance Policy for Marine Spread(Barges, Vessels, boats, tugs etc.)</p> <p>h) Motor Vehicles Package Policy</p> <p>i) Insurance for workmen engaged under this contract</p> <p>(As applicable)</p>	
<u>3</u>	Certificate of Acceptance of Successful Completion of Mobilization (Issued by Indentor), <u>wherever applicable</u>	Indentor
<u>4</u>	Third party Inspection Report (in case of charter Hiring of Rigs)	Indentor
<u>5</u>	A. Details of statutory payments like EPF and ESI (and documents thereof) (Services)-Challan	Indentor
	B. Details of statutory payments like EPF and ESI (and documents thereof) (Services)-Data Sheet	Indentor
	C. Any other document as required in connection with statutory payments like EPF and ESI etc. as per Contract conditions	Indentor
<u>6</u>	Undertaking by the contractor regarding compliance of all statutes	Indentor
<u>7</u>	<p>(i) Proof of payment by Service Provider of salaries/wages to its personnel</p> <p>ii) Documents required in compliance to labour law</p> <p>(iii) Certificate by the contractor stating that labour have been paid not less than minimum wages/Fair Wage (as applicable).</p>	<p>Indentor</p> <p>Indentor</p> <p>Indentor</p>
<u>8</u>	Copy of Time sheet / Log Sheet /DPRs	Indentor
<u>9</u>	Attendance Sheet	Indentor
<u>10</u>	Statement of persons travelled on chargeable basis (Recoverable)	<p>Indentor</p> <p>(To be also checked by Finance# before payment and in case of discrepancy to be sent back to Indentor for</p>

		necessary correction and certification)
<u>11</u>	Fuel charges (Daily consumption report of fuel) and statement of material/ consumption	Indentor (To be also checked by Finance# before payment and in case of discrepancy to be sent back to Indentor for necessary correction and certification)
<u>12</u>	Catering Bill (Log Sheet).	Indentor
<u>13</u>	Telephone Bill (Log sheet).	Indentor
<u>14</u>	Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).	Indentor
<u>15</u>	Local content related documents(if applicable)	Indentor
<u>16</u>	For Foreign contractors, certificate issued under 197/195(2) in accordance with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (if applicable)	Finance
<u>17</u>	Proof of payment of periodical premiums towards Group Gratuity and Group Insurance etc obtained to cover the personnel at the location(s). (wherever applicable)	Indentor
<u>18</u>	Declaration of Exchange rate –GAAP rate as on the date of Invoice from the contractor(Wherever applicable)	Finance
<u>19</u>	Statement of calculation for any other recovery as per contract provision including LD	Indentor (To be also checked by Finance# before payment and in case of discrepancy to be sent back to Indentor for necessary correction and certification)
<u>20</u>	Any other document specifically not mentioned above but which is mentioned in Contract payment terms	Indentor / Finance / MM * (as applicable)

(MM/113/2023 dated 08.12.2023)

***Note 1: BEC Formulation Committee** should clearly bring out the relevant document (i.e. any other document specifically not mentioned above but which is required to be mentioned in PO/Contract payment terms as per deliberations of **BEC Formulation Committee**) and mention which department will check the document. This information shall be indicated in the PO/Contract itself so that compliance is ensured.

#Note 2: In respect to checking of the statements of recoveries, deductions, LD etc.by Finance, the scope of the same will be limited only to the calculation part for numerical / arithmetical errors and not the basis of working out / deriving the amounts.

Note 3:

In case of charter Hire of Rigs, review of similar documents shall be as prescribed in case of services. Any additional document as per tender conditions shall be deliberated by **BEC Formulation Committee** and **BEC Formulation Committee** to mention which department will check the document.

22.7.2 Existing process for certification and review of invoice as per clause 18 & 19 of Appendix M of BDP shall continue.

22.7.3 (Applicable after roll out of Vendor Invoice Management System (VIMS))
Once documents are submitted alongwith invoice in VIM system, these document alongwith all supporting documents and invoice shall be archived in VIMS and attached to respective SAP document like LIV, Accounting document and there will not be any need of uploading these document again anywhere. These document can even be referred through PR/PO using Status/Purchase order history tab and subsequently opening the LIV document/Accounting document.

(MM/59/2020 dated 28.08.2020) (Clause renumbered vide MM/69/2021 dt. 20.08.2021)

22.8 Process to be followed in case of difference in GST quoted by bidder vis-à-vis assessed by ONGC in Service/LSTK contracts:

(MM/113/2023 dated 08.12.2023)

22.8.1 Rate-Difference opinion arising at Bid Evaluation Stage: Based on quoted rates, ranking of the bidders shall be worked out. Price reasonability shall be determined as per quoted tax rate. If the tender evaluation team (**Procurement Evaluation Committee**) notes that different tax rates have been quoted by various bidders in the tender and / or tax rates considered by L-1 bidder are different than the tax rate in the opinion of ONGC, action as proposed below may be undertaken:

**{Tenders for centralized items which are processed as a special case by the work centre other than the normally authorized ones as per IMM Manual, the concerned tender evaluating team may refer to the similar contracts awarded by the authorized work centres.*

For decentralized items, contract related data for the concerned work centre will be sufficient unless brought to the notice of concerned work centre. }

- (a) Based on different data on quoted tax rates, **Procurement Evaluation Committee** shall work out applicable tax rates in terms of different line items considered by the L-1 bidder in the 'Change in Law' format of their bid.
- (b) If the tax rates considered by the L-1 bidder are lower than the tax rates worked out by tender evaluation team, the offer of L-1 bidder may be processed further as tax would be restricted to his quoted rates (no higher rates would be allowed) in terms of confirmation given by him with his bid.
- (c) If the tax rates considered by the L-1 bidder are higher than the tax rates worked out by tender evaluation team, the matter may be taken-up with the bidder (*through letters / e-mails / system generated messages / discussions*) by the team with the approval of Competent Authority (who is authorized to allow price negotiations for the case). The issue may also be discussed along with price negotiations, in case undertaken with the bidder, during the course of ascertaining price reasonability (to be based on quoted tax rate).

Process of Indemnification:

- I. The L-1 bidder shall be explained the reasons for applicability of lower tax-rate than as specified by him in his bid and he may be asked to accept the same.

- II. If difference of opinion with the L-1 bidder still persists, they (L-1 bidder) will be asked to provide detailed justifications in support of the same alongwith documentary evidence, if any, for further examination of ONGC.
- III. **Procurement Evaluation Committee** will examine the justifications provided by the L-1 bidder. If **Procurement Evaluation Committee** still holds on to its earlier position of lower tax rate, it will refer the matter to Corporate Indirect Tax Dept. for their opinion.
- IV. The Corporate Indirect Tax Dept. shall provide its view to the Work Centre on the applicable rate of tax; and if the applicable rate of tax is lower than the rate quoted by the L-1 bidder, then the process / procedure to challenge before tax authorities / tribunal / court and likely implications about interest and penalty in case ONGC's contention is finally not upheld, shall be indicated therein.
Corporate Indirect Tax Dept. may, if it feels necessary, seek opinion of outside empaneled expert also before finalizing its views.
- V. **Procurement Evaluation Committee**, based on the views of Indirect Tax Dept., will take up the issue of applicability of lower rate of tax with L-1 bidder. If the L-1 bidder still does not agree with the applicability of lower rate of tax, then the **Procurement Evaluation Committee** may consider the option of either :
 - (i) providing suitable indemnity with the approval of Competent Authority (as per para 22.7.7 below) to indemnify the contractor against differential amount of tax along with applicable interest and penalty, if any, and pay lower rate of tax till finalization of matter (Detailed process of application of this option shall be as per para VI below)

(this option to be considered if the cost of litigation and time involved in the process appear to be rational considering the amount of differential tax, interest thereon and possible penalty, if any. Further, this option will be exercised only when there is higher degree of possibility of acceptance of ONGC opinion of lower tax rate by the tax authority / judicial forum (Tribunal / Court) and chances of ONGC losing & thus applicability of Interest and penalty in that event, are very bleak. However, in case ONGC's point of view is not finally accepted and interest & penalty are applied, the same may be considered as business risk).

or

- (ii) agree with the bidder and recommend placement of the NOA with rate of tax quoted by the bidder *(if the cost of litigation and time taken thereon do not appear to be rational considering the amount of differential tax, interest and possible penalty, if any)*

VI. In case it is decided to provide indemnity as brought out at para no. (V) (i) above with the approval of Competent Authority, the L-1 bidder / contractor will be informed that ONGC would like to pay lower rate of tax till finalization of matter and indemnify the Contractor against differential amount of tax along with applicable interest and penalty, if any subject to bidder confirming acceptance to the following in case of award of contract:

- (i) They (L-1 bidder / contractor) shall represent suitably with the concerned jurisdictional tax authority for applying such lower tax rate to avoid imposition of penalty at a later date. A copy of such communication shall also be provided to ONGC.

They (L-1 bidder / Contractor) will pay GST at the rate intimated by ONGC. However, if Contractor receives any notice / demand from tax authorities for payment of GST at higher rate, then Contractor will immediately submit a copy of the notice received from the tax authorities to ONGC. Contractor will take action on such demand as advised by ONGC. ONGC shall not be liable to reimburse or pay to the contractor any amount on account of such tax demand if Contractor does not contest the demand and or does not take action as advised by ONGC.

The decision of ONGC about applicable rate of GST shall not be referred to arbitration or conciliation and contractor shall take up the matter with tax authorities as per advice of ONGC. Any demand for referring any dispute relating to the rate of tax to arbitration or conciliation shall be void and not valid under the arbitration clause of the contract.

The above provisions shall be made part of the Contract, in case of award on L-1 bidder.

VII. **Payment process under Indemnity Provision:** In case final tax-rate assessed by tax authority/ judicial authority happened to be higher than the tax rate assessed by ONGC based on which payments were made till date of such decision, ONGC would be required to additionally pay only the portions of interest and penalty (if imposed) since the additional amount due to tax rate differential (between amount calculated as per contractual tax rate and payment made at lower rate with indemnity)

would already be covered in the contractual provision. Payment towards interest and penalty would be additional payment(s), therefore their payment would require separate provisions to be made in the contract. These may be done under post contract issue as per provisions of IMM Manual and BDP with the approval of Competent Authority by creating separate line items for them (i.e interest and penalty, if any) by way of amendment to contract (and OLA) for the respective amounts and increasing the overall contract value (OLA target value).

22.8.1.1 In case indemnity is to be provided to a vendor in a tender, the same should be frozen before finalizing the award of Contract. All efforts should be made by the work centres to conclude the process outlined at 22.7.1(c) above within the bid validities.

22.8.2 In case the tender provides for distribution of requirement, similar process (as per para 22.7.1 and 22.7.1.1 above) may be adopted with L-2, L-3 ... bidders (as the case may be), if required.

22.8.3 Rate Difference opinion arising after Award of Contract: The difference of opinion between ONGC and Contractor due to interpretation of “Change in Law” (such as issuance of new notification/clarification) announced after award of Contract (wherein GST rate in the opinion of ONGC is lower than as informed by Contractor for amending the Contract) may be handled in the similar manner as outlined at para no. 22.7.1 (c).

22.8.4 Approval for providing /not providing indemnification considering implications as per para 22.7.1 (c) (V) (i) & (ii), approval of Competent Authority (as per para 22.8.7 below) will be taken.

(MM/113/2023 dated 08.12.2023)

22.8.5 In case L-1 bidder / Contractor does not agree for lower tax (than his quoted tax) and indemnification process as brought out above even after protracted persuasion by ONGC, **Procurement Evaluation Committee** with the approval of Competent Authority(as per para 22.8.7 below) would decide further course of action in the best interest of ONGC. Wherever such lower rates of GST has been considered with indemnity, such case should be informed to all work centers for uniformity by indirect tax.

22.8.6 The option of providing indemnity should be exercised only in exceptional cases considering time & cost of litigation.

22.8.7 Competent Authority for deciding/approving grant of indemnity shall be as under:

If decision for providing indemnity is to be taken during award stage:
CPA based on recommendation of **Procurement Evaluation Committee**

If decision for providing indemnity is to be taken after award of contract:

Competent Authority for according approval as post contract issue, based on recommendation of Procurement Evaluation Committee.

23 Contract closing

23.1 Contract closing process

- 23.1.1** Once all the delivery has been made after adequate inspections and quality checks, and the payments have been made, and no further disputes remain, the contract/PO shall be deemed closed. To ensure compliance, I/C MM and L-2 (in case of user department) shall monitor and ensure timely closure of POs/ contracts before or at the time of release of security deposit (SD). In case, item wise undelivered quantity is less than 1 (one) percent of total ordered quantity due to allowance required in manufacturing process, transportation conditions including packing, shipping, loading/unloading etc. and the delivery period is already over and GR raised. Authority who has signed the order shall immediately close such POs in consultation with the Indentor. Such closure shall be without initiating any punitive action against the supplier. However, it must be ensured that payment, if any made, for such undelivered quantity is recovered before closing the PO.

(MM/10/2016 dated 23.03.2016) – (New Provision)

- 23.1.1.1** In order to complete the contract closing process, the field meant for delivery completion shall be invariably “ticked” by concerned dealing officer and field meant for final invoice at item level shall be ticked by Finance officers while doing LIV marking invoice as final invoice.
- 23.1.2** For LSTK/Projects, the Indentor / User should be informed by the concerned project execution group / service group for being associated with the pre-commissioning, commissioning and handing over acceptance tests from the Contractor. A formal handing over of the Project should thereafter be done in writing after drawing up a list of 'punches points', if any. The list of punch points shall be jointly signed by the Contractor, Project Manager (or his representative) and Indentor. Schedule for the liquidation of punch points should also be made in the handing over format.
- 23.1.3** In case of LSTK/ Projects, a completion report of actual expenditure of the project should be prepared and submitted along with the completion report by the Project Manager.

23.2 Termination of contract / supply order

(MM/112/2023 dated 30.11.2023)

- 23.2.1** Competent Purchase Authority will have full powers to cancel the contract / supply order in the event(s) indicated in sub-paras a to f below. Concerned L-1 executive shall full powers including for CoDP/MCoDP level cases. Provisions of Liquidated Damages / Failure and Termination and acceptance of materials in deviation to specified specifications respectively will be kept in view while exercising powers in respect of sub-paras a and f below:-
- a. Poor vendor rating (as defined in the section on vendor rating)
 - b. Misrepresentation of facts leading to poor vendor performance

- c. Specified delivery schedule is not adhered to
- d. Laid down specifications are not adhered to or when the performance of the contract is un-satisfactory.
- e. Major contractual terms and conditions are violated
- f. Insolvency.

23.2.2 Provisions relating to 'Automatic Termination' of contracts, on account of delay in mobilization shall not be incorporated tenders even in tenders for charter hire of rigs.

24 Other Issues

24.1 Subletting and Assignment:

- 24.1.1 The contractor shall not save with the previous consent in writing of the Purchase Authority sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever provided nevertheless that any such consent shall not relieve the contractor from any obligation, duty or responsibility under the contract.

24.2 Arbitration

- 24.2.1 Arbitration will be as per terms and conditions of general and special conditions of the contract. For appointment of Arbitrators and the panel of arbitrators, the work centres shall follow the guidelines issued by Chief -Legal Services.

24.3 Post contract issues

(MM/04/2015 dated 28.04.2015)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

(MM/114/2023 dated 20.12.2023)

(MM/117/2023 dated 29.12.2023)

- 24.3.1 Post contract issues (Post LOA/ NOA issues, wherever LOA/NOA is placed in line with the agreed tender / bid conditions) will require to be deliberated by the Procurement Evaluation Committee (for cases exceeding Rs 10 lakh) and submitted for approval of the Competent Purchase Authority. Concerned L-1 shall have full powers in this regard. Procurement Evaluation Committee may seek inputs/comments, if required, from Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases). When purchase does not fall under purview of Procurement Evaluation Committee, dealing officer of MM in consultation with Indentor and Finance shall put up the proposals for approval of CPA. For cases dealt by departments other than MM, proposal shall be put up by dealing officer in consultation with finance to CPA for approval.
- 24.3.2 Post contract issues, during the execution of contract, which are dealt as per the provisions of contract and approving authority for any / all such issues are clearly spelt out in this matter elsewhere, as per ONGC guidelines, will be dealt accordingly.
- 24.3.3 Levy of LD should be carried out as per provisions of contract and not treated as a post contract issue.
- 24.3.4 Availing of services should be strictly as per contract provisions only. Even in extreme operational urgency, before availing services not covered in the contract, prior approval of the competent authority (who has approved award of the contract in the first place) should invariably be obtained, so that no fait-accompli cases need be submitted to management later on.

- 24.3.5** Before approval of amendments in respect of supply orders/contracts, an analysis should be made in terms of the direct/indirect financial implications of the proposed amendment and amendments, if any, should be made only in full cognizance of its various repercussions. All amendments to POs are to be invariably generated through SAP system.

(MM/10/2016 dated 23.03.2016)

- 24.3.6** Change in bank details of the contractor do not constitute a post contract issue and hence change in bank details of the contractor should be approved by CPA with the concurrence of associated Finance. However, concerned Level-1 Executive shall have full powers to approve such cases with the concurrence of the associated Finance.

Similarly, change in name/address of the firm also do not constitute a post contract issue. Such request of the firm should be dealt as provisions under Para 16.11 of this Manual.

24.4 Complaints / representations - consideration of

(MM/113/2023 dated 08.12.2023)

(MM/117/2023 dated 29.12.2023)

- 24.4.1** Anonymous representations received in respect of current cases should be ignored. In case a proposal is under consideration of the **BEC Formulation Committee/ Procurement Evaluation Committee**, then the proper representation received, if any, should be commented upon by the **BEC Formulation Committee/ Procurement Evaluation Committee**. **BEC Formulation Committee/ Procurement Evaluation Committee** may seek inputs/comments, if required, from Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) on technical aspects.

If representations are received at a stage of tender processing not under the purview of **BEC Formulation Committee/ Procurement Evaluation Committee**, such representation shall be examined by Nodal Technical Agency (for cases under CPD)/ concerned Indenting Section (for other cases) on technical aspects, by CPD/Work Centre MM/Tender Processing Group on commercial aspects and CPD-Finance/Work Centre-Finance on financial aspects such as financial criteria, tax related issues etc. This methodology shall also be followed for cases not falling under the purview of **BEC Formulation Committee/ Procurement Evaluation Committee**.

- 24.4.2** Any complaint or representation received after finalisation of the case should be examined carefully so that corrective action, if any, could be taken in future.
- 24.4.3** Wherever request of a bidder for issuance of tender document is not entertained or offer of bidder has been rejected, reasons for the same should be disclosed, where enquiries are made by the bidder.

24.4.4 Due to representation(s) of bidders to various VIPs, the processing of tender should not be stopped and such representations should be addressed in the normal course and processing of the tender should be continued. However, competent purchase authority of the tender should take note of such representations to VIPs made by prospective bidders before approving award of contract.

24.5 Delays in insurance policy

24.5.1 Delayed receipt of insurance policy in case of services and projects will be avoided. Wherever the contractor is required to take various insurance policies before commencement of works, it should be ensured that the required insurance policies are taken in time and are in full force and effective, as per the requirement of contract.

24.5.2 In case due to the delay in taking insurance policy, safety of the operations can be affected, the operation should be stopped.

24.5.3 At the start of the project as per contract terms, wherever the responsibility of taking specific insurance policy is from the contractor, the contractor should take the same and provide an undertaking that the appropriate insurance policy meets all the contract requirements. Payment for the insurance policy should be as per terms mentioned in the contract.

24.5.5 Acceptance of various insurance policies by ONGC:

(MM/04/2015 dated 28.04.2015)

For enabling the contractors to cover all the bid requirements for submission of insurance policies, to ensure speedy approval of the policies by ONGC and to reduce the time taken in releasing the payment of premium of such insurance policies, the following checklist shall be incorporated in all bid documents of LSTK contracts:

(MM/39/2018 dated 02.07.2018)

Checklist for Insurance Policies.

Note: In addition to the list of policies indicated below, if any particular contract requires any special / customized / specific additional insurance cover(s), based on specific project requirement, the same may be included in the check list by the work centre. Similarly if any of the below mentioned policies is not specific to the contract, same may be deleted.

1. List of Policies to be taken:

(a) Contractor's All Risk Insurance / Erection All Risks/ Storage Cum Erection Insurance (including Offshore and Onshore Terrorism cover). *(workcentre to delete whichever not applicable).*

- (b) Cargo Transit Insurance.
- (c) Third Party Liability Insurance.
- (d) Motor Vehicles Package Policy which includes Third Party Liability.
- (e) Workmen's Compensation Insurance / Employer's Liability Insurance.
- (f) Insurance Policy for Contractor's Constructional Plant and Equipment and such policy to include removal of Wreck / debris.

Note: In cases where Contractors content that their Corporate Policies with worldwide coverage meets the insurance requirements of the contract in respect of Policies from (b) to (f), Contractor needs to ensure that all the conditions mentioned in the contract in respect of insurance are complied with.

2. **Principal Assured**

The following are to be included as Principal Assureds in the Insurance Policies (except in case of Workmen's Compensation / Employer's Liability Insurance):

- (a) Oil & Natural Gas Corporation Limited, and Contractor's name (as appearing in the bid document / NOA)
- (b) Parent and/or Subsidiaries and/or Affiliated and/or Associated and/or inter-related Companies of the above as they are now or may hereafter be constituted and their Directors, Officers and Employees, while acting in their capacities as such.

3. **Additional Insured**

The following are to be included as Additional Insured in the Insurance Policies (except in case of Workmen's Compensation / Employer's Liability Insurance):

- (a) Any other company, firm, person or party (including Contractors and/or Sub-contractors and/or manufacturers and/or suppliers) with whom the below mentioned persons have entered into written contract(s) directly in connection with the Project:
 - (i) Oil & Natural Gas Corporation Limited,
 - (ii) Parent and/or Subsidiaries and/or Affiliated and/or Associated and/or inter-related Companies of the above as they are now or may hereafter be constituted and their Directors, Officers and Employees, while acting in their capacities as such.
 - (iii) Project Managers
 - (iv) Contractor

4. **Waiver or Subrogation**
Except for the workmen's Compensation / Employer's Liability Insurance for workmen engaged under this contract which have been obtained by the contractor as their Corporate policy/rules and applicable statutory provisions, where ONGC is neither required to be present as principal Assured or additional Assured, all policies should have Waiver of Subrogation against Principal Assureds (as mentioned in point 2 above) and Additional Insured (as mentioned in point 3 above) and Contractor.
5. **Location of the Proposed Project** (in Contractors All Risk Policy).
6. **Project Description (Name)**(in Contractors All Risk Policy).
7. **Sum Insured**(Physical Damage portion of Contractors All Risk Policy).
 Not less than Estimated Final Contract Value as per NOA/Contract distributed in all currencies as mentioned in NOA/Contract.
8. **Period of Insurance**(Contractors All Risk Policy)
 To be valid upto scheduled completion date of contract, with provision for an extended maintenance coverage for Contractor's liability in respect of any loss / damage occurring during the warranty period.
9. **Deductibles**
The contractor shall take policy with minimum deductible as prescribed for the policy (ies).
That portion of any loss not covered by insurance provided for in this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.
10. **Loss Payee Clause**
 The Insurance Policies should mention the following in Loss Payee Clause:
 "In respect of Insurance claims in which ONGC's interest is involved, written consent of OGNC will be required."
11. **Compliance with Sec 25(1) of 'The General Insurance Business (Nationalization) Act, 1972'**
 Section 25(1) of 'The General Insurance Business (Nationalization) Act, 1972' is reproduced below:
 "No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place

of business is outside India save with the prior permission of the Central Government”

The above requirement of aforesaid Act needs to be complied with by the Contractor wherever the aforesaid provisions of Act apply, and compliance confirmation submitted.

12. **Written Notice**

All Insurance Policies should provide that not less than 21 days written notice shall be given to the ONGC by the Insurance Company prior to any cancellation or material modification of the Policy (ies)

13. All insurance policies should mention the following:

“Notwithstanding anything to the contrary elsewhere in the Policy, it is understood and agreed that Insurance cover shall apply even when the loss or damages might have occurred due to the negligence of the ONGC, its authorized representative or its employees or its workmen or any consultancy inspection or Certificate Agency working for the company”

(II) Taking out various Insurance policies and payment thereof:

After the award of the contract, the contractor will be required to take insurance policy as per the provisions of the contract and the insurance should come into force from the date of commencement of works.

The contractor will be also required to submit a declaration along with cover note that Insurance Policies have been taken as per contractual terms. The milestone payment against insurance shall be restricted to 3% of contract value for Offshore Projects and 1.5% for Onshore Projects or the amount quoted towards milestone payment against the head ‘Insurance’ whichever is lower. On verification of cover note with the checklist, milestone payment of 85% of insurance amount of 3% (for Offshore Projects) / 1.5% (for Onshore Projects) of contract value or 85% of the amount quoted towards milestone payments against the head ‘Insurance’ whichever is lower, as the case may be will be released. Balance 15% shall be released on acceptance of policies in all respects by ONGC. In case the bidder quotes for insurance charges more than 3% (for Offshore Projects) or 1.5% (for Onshore Projects) of the contract value, then the amount in excess of 3% (for Offshore Projects) or 1.5% (for Onshore Projects) will be payable after completion of the project in all respects and acceptable by ONGC.

- 24.5.6** The exact insurance policy applicable for a specific part of the service delivery / project execution phase shall be vetted by the project in charge before the start of the phase for which the insurance has been taken.

24.6 Specific issues for construction / turnkey projects

- 24.6.1** In case where company (ONGC) takes over certain facilities for the envisaged objectives, which can be commissioned and can function independently irrespective of the availability of balance work of the project, ONGC may issue part completion certificate by taking over such facilities. LD on such taken over facilities, if any, shall be calculated till the date of taking over those facilities.
- 24.6.2** Where such facilities cannot be commissioned and cannot function independently, LD in that event will be levied on full value of the project.
- 24.6.3** In the case of LSTK/EPC contracts, where the contractor is responsible for the insurance policy, the insurance policy shall be approved by Level I officer of the work centre.
- 24.6.4** In the case of LSTK/EPC contracts, where a change of vendor is needed, such approvals shall be accorded by Level I officer of the work centre.
- 24.6.5** In the case of LSTK/EPC contracts, planning package which includes DCI/MCI/billing breakup/S-curve etc. will be approved by concerned Level 1 officer of the work centre.

24.7 Management of Hazardous Chemicals/Materials

- 24.7.1** The following clause will be incorporated in all future tenders for procurement of hazardous chemicals:
- "The bidder will specify material storage data system (MSDS) Standard specification like size, colour, and letters of the packing will also be specified."
- 24.7.2** Personnel, handling such chemicals should be trained for identifying colour codes and symbols and other safe handling practices
- 24.7.3** Separate areas should be designated for storage of hazardous chemicals and clear instructions regarding storage practices should be given
- 24.7.4** All personnel handling hazardous-chemicals should be provided with Personnel Protective Equipment (PPE). Provisions should be made in the contract for providing PPE by the contractor to the people working with hazardous chemicals In case, contractor is not able to provide PPE of ONGC specification, ONGC should provide it at the contractor's cost.
- 24.7.5** All the personnel handling hazardous chemicals will be given First aid training.

24.8 Dispute Resolution through Outside Expert Committee

~~(MM/21/2016 dated 29.12.2016)~~
(MM/44/2022 dated 06.10.2022)
(MM/118/2024 dated 11.01.2024)

The cases for Resolution of disputes through conciliation by OEC shall be processed as per the guidelines issued vide circular No. (02/2024 dated 11.01.2024), as may be amended from time to time.

While signing the Contract, detailed guidelines on OEC issued by Chief Legal Services vide circular No. DLH/Mediation-Manual/OEC Guidelines/2023 dated 08.12.2023 (as amended from time to time), shall be attached.

24.9 Optimum drawl of Barytes to meet operational exigencies

24.9.1 Work Centers should plan their requirement and convey the same to MM Department at Chennai who coordinate the despatch of Barytes from the suppliers well in advance so as to avoid a stock out situation. It is further emphasised that all the Work Centers may please ensure that enough stock is maintained to cover the lead time requirement also to meet the emergencies of operation and safety

24.10 Determination of CPA for extension of existing contract awarded on nomination basis

24.10.1 In cases awarded on nomination basis, where the services are required to be continued from the same contractor, after expiry of the contract, then the following guidelines should be adhered to meticulously:

(i) The fresh award of contract on the existing contractor shall be treated as a separate contract on nomination basis and the instruction prevailing w.r.t. award of contracts on nomination basis shall be followed.

(ii) The CPA for approval of any such cases would be determined as per the BDP based on value of individual contract.

(MM/41/2018 dated 10.09.2018 & Corrigendum dated 24.09.2018)

(iii) However, if the contract which is due to expire was awarded on nomination basis and further contract is also to be awarded on the same agency on nomination basis, the value of such contract should be added to determine the CPA. However, under the following conditions (in respect of services), CPA shall be determined based on the value of each such individual contract:

i) Cases pertaining to AMC/Services from OEM/OES.

(MM/112/2023 dated 30.11.2023)

ii) For cases where prior approval of concerned L-1 has been obtained detailing the justifications, that such case is of deemed proprietary in nature as such services are required to be obtained from same service provider only, for resorting to nomination on continuous basis. Such approvals shall be valid only for a period of three years. For further continuity of such services, the prior approval needs to be obtained afresh from concerned L-1 which again shall be valid for three years.

In cases pertaining to procurement of goods each supply order which is placed even on nomination basis should not be clubbed with other past orders placed on nomination basis for determining the CPA.

(v) In cases where contract for hiring of more than one unit (vessels/rigs/vehicles/equipment, excluding vehicles/equipment of general nature) of same category from one bidder have been awarded by entering into multiple contracts on nomination basis any one of these multiple contracts is also to be awarded on the same agency on nomination basis, the value of such contract should be added to the cumulative value of contracts awarded on nomination basis to determine the CPA.

24.11 Deployment of manpower by the contractor

Wherever deployment of manpower is involved, it should be ensured that the contractors deploy the manpower having requisite qualification as per the terms of the contracts. Further, the actual deployment of the personnel for the job should not be less than the contractual requirement. All concerned should closely monitor these aspects for compliance with the contractual requirements during the execution of the contract.

25 Pre-tendering and tendering process for Proprietary articles

25.1 Definition of proprietary articles

- 25.1.1 This process should be used for OEM spares, OEM services, OEM standby capital items (where proprietary article certificate for the specific item has been made and the item is to be used as an alternate / backup to existing systems / items), proprietary chemicals and other items and services of proprietary nature. However, no Proprietary Article Certificate (PAC) is required for OEM Spares, Standby equipment and accessories which form part of the main equipment.
- 25.1.2 Articles / Services which are given PAC should be on the basis of their functional requirement. Declaration of an item as proprietary will be done with the approval of competent authority as per BDP. Accordingly, for such purchases of proprietary items from single source, Indenter shall provide copy of approval for procurement of an item as 'Proprietary item' along with indent.
- 25.1.3 Features of the model / version of the products are regularly upgraded by the manufacturers. Similarly, new products and new technologies are being introduced very frequently and the market conditions are likely to vary at different point of time. Therefore, the approval for purchasing an item as proprietary article should be obtained separately on each occasion of its purchase.

Accordingly, for such purchases of proprietary items from single source, Indenter shall provide a 'Proprietary Article Certificate' (PAC) along with indent, as per following format:

PROPRIETARY ARTICLE CERTIFICATE (PAC)

- (i) The required item(s) (i.e.....*) is/are manufactured only by M/s..... and no other make is acceptable as substitute for technical reasons. (**Wherever specific model / brand is required, the same should also be specified*).
- (ii) Approval of competent authority, as per item** of BDP-2015 (as amended from time to time) has been obtained for purchasing the required item(s) as a proprietary article. (*** indicate relevant BDP item*).

(Signature)

Name and Designation.....

Date:
Place:

25.2 Procurement Process

(MM/10/2016 dated 23.03.2016)

(MM/114/2023 dated 20.12.2023)

25.2.1 Tender opening date for procurement of OEM Spares/ OEM Services/PAC items and tender on nomination basis should be fixed and opened immediately by the tender opening officer from Tender Processing Group and Finance. However, in case bids are received before or after closing date of tender, the same should be opened as and when received without any approval.

25.2.2 Quantity requirement for specific item required will be made once requirement is identified by concerned work centre.

25.2.3 Approval on the quantity to be ordered is obtained from the competent authority in individual assets (wherever the request is being generated)

(MM/26/2017 dated 21.06.2017)

25.2.4 The unit cost estimation will be done as per para 4.4.

25.2.5 Indentor shall ask the OEMs (can be done over email) to intimate details of their nominated dealer/ distributor/ supplier(for supply), authorized agency /service center/ service provider(for services) as the case may be (authorisation to be valid at least for a period of one year from the date of intimation), for supply to India. The OEM will also be requested to notify to ONGC (through an undertaking) of any change occurring in Authorised Distributors during the period of one year.

(MM/114/2023 dated 20.12.2023)

25.2.6 Tender Processing Group will then send the enquiries to all the nominated dealer/ distributor /supplier (for supply), authorized agency/service center/ service provider(for services) as the case maybe so intimated by OEM, including the OEM.

Besides OEM and their nominated dealer/distributor/supplier (for supply), authorized agency/service center/ service provider (for services), OES (Original Equipment Supplier), can also be considered as an authorized source of supply, if they supply directly and not through any other agency.

25.2.6.1 When the OEM confirms of not having any nominated dealer/distributor/supplier(for supply), authorized agency/service center/ service provider(for services) as the case may be or do not respond to our request for sending us details of its nominated dealer/ distributor/ supplier(for supply), authorized agency/service center/ service provider (for services), enquiry may be sent to OEM only.

25.2.7 The original PR is modified with the price quote and administrative approvals and sanctions need to be taken for this modified PR.

(MM/113/2023 dated 08.12.2023)

25.2.8 Procurement Evaluation Committee shall be formed on the basis of value of price quote received against the single tender enquiry.

25.2.9 (MM/10/2016 dated 23.03.2016) – Deleted –

(MM/85/2023 dated 27.02.2023)

Repair/revamping of equipment should also be got done preferably through OEM or their nominated dealer / distributor / supplier (for supply), authorized agency / service center / service provider (for services) / OES (Original Equipment Supplier) as per para-25.2.5 and 25.2.6. In the event OEM or their nominated dealer / distributor / supplier (for supply), authorized agency / service center / service provider (for services) / OES (Original Equipment Supplier) is not willing to undertake repair / revamping of the equipment, the other modes of procurement may be resorted to.

25.2.10 – Deleted –

25.2.11 Reasonability:

Wherever OEM / OES / nomination cases are allowed to be processed without formal cost estimation (but placement of order after obtaining proper expenditure sanction), reasonability of quoted prices will be ascertained with respect to LPR / international published price (if available). The age of LPR along with suitable adjustment (upward or downward) shall be as per provisions of para no.4.2.4 & 14.1.4 and shall be considered for comparison. For items whose LPR / international published prices are not available, trend of quoting such rates compared to rates quoted for items where LPR is available may be considered in determining reasonability quoted prices. Further, justification from bidder may be sought for quoting such price, if required.

(MM/37/2018 dated 29.05.2018) (MM/50/2019 dated 04.07.2019)

(MM/112/2023 dated 30.11.2023)

(MM/113/2023 dated 08.12.2023)

(MM/114/2023 dated 20.12.2023)

25.2.12 Negotiation: Procurement Evaluation Committee shall conduct negotiation with prior approval of **L-1 executive**.

The entire process of negotiation has to be concluded within a period of seven working days from the date of approval and a decision needs to be taken based on the reply received from the bidder post negotiation

In case the Work Centre wants to continue the negotiations further beyond seven working days, specific approval of the Competent Purchase Authority for each additional round of negotiation should be obtained (full powers to concerned L-1) providing detailed justification/exception for continuing the negotiation further.

(MM/26/2017 dated 21.06.2017)

(MM/112/2023 dated 30.11.2023)

25.2.13 Post Contract Modifications: All post contract modifications shall be approved by CPA on the recommendation of **Procurement Evaluation Committee**. Concerned L-1 shall have full power in this regard.

For the cases valuing below Rs. 10 lakhs not falling under purview of Procurement Evaluation Committee, a committee of minimum E2 level executives consisting of Indentor and Finance members shall examine the post contract issue and put up its recommendations for approval of CPA. .

25.3 Standard Terms and Conditions

- 25.3.1 Standard terms and conditions as defined in model tender document for OEM spares should be used.
- 25.3.2 In case an OEM insists on inclusion / deletion of a specific clause, the terms and conditions can be modified. However, any exception/ modification should be approved by concerned L-1. Best Price clause shall be included in the terms and conditions.
- 25.3.3 Best Price clause is a guarantee from the OEM that the price for the specific part number is the best among the prices it offers to its other customers for that specific part number. In case the OEM provides the item to a different customer at a lower price, the appropriate discount should be passed on to ONGC at a later stage (either at the time when the item is being sold to the other customer or adjusted against the price for the next purchase of an item by ONGC from the same OEM).

25.4 Other conditions

- 25.4.1 Updated list of spares prices from OEMs shall be maintained within internal IT system. This list should be updated whenever the OEM updates their prices (may require updation every 6 months - 2 year period). Having this updated list will prevent the need to use LPRs and also ensure that cost estimates (when not using OEM BQs) are accurate

(MM/26/2017 dated 21.06.2017)

- 25.4.2 Irrespective of the type of tender whether single or limited, procurement from OEM shall be treated as procurement on single tender nomination basis from OEM/OES and CPA will be decided accordingly.

25.4.3 – Deleted -

- 25.5 In all cases pertaining to procurement of OEM spares, standby equipment from OEMs and the procurement carried out on 'PAC' and 'Nomination' basis, following confirmations shall be obtained prior to award of contract/order:

- (i) The prices quoted by them for the items of same specifications are not more than what they charge to other customers. In the cases where OEM certifies that they do not market their products directly, but only through authorized distributor and have only one authorized distributor worldwide, ONGC should accept the required confirmation given by the

sole global authorized distributor of OEM to the effect that the prices quoted by them for the items of same specifications are not more than what they charge to other customers.

- (ii) Wherever OEM/OEM's authorized distributor does not accept ONGC tender terms and conditions or takes any exception / deviation, a certificate should also be obtained from them that the terms and conditions offered to ONGC are at par with those offered to other customers worldwide.

26 **Shifted to 21.6** (MM/47/2019 dated 31.01.2019)

26.1 Procurement process – (Shifted to 21.6)

27 e-procurement

- 27.1 The Purchase Requisitions (Indent) for e-Procurement tenders will flow automatically from SAP-R/3 system. The process for approval of BECs, Evaluation matrix etc. will take place as per existing process. After due approval, all related documents will be up-loaded in the system by the dealing officer. Thereafter the dealing officer will prepare the RFx and upload the same after affixing digital signature as per the IT Act, 2000.

(MM/50/2019 dated 04.07.2019)

- 27.2 The Invitation to Bid in respect of all tenders of value more than Rs 10 lakhs shall be published on the ONGC tender website (<https://tenders.ongc.co.in>) & e-tender portal (<https://etender.ongc.co.in>). The tender website shall have a link to e-procurement server (<https://etender.ongc.co.in>). All tenders published on ONGC tenders portal shall be uploaded / updated by Corporate Communication on Central Public Procurement Portal (CPPP) on the same day. Prospective bidders who intend to participate in the e-tenders can logon to e-procurement server with Guest user ID and view the documents and may request for access through the portal by providing basic information about them. Thereafter, user ID and password will be issued to them. The vendors will also be given necessary online help for understanding the system.

(MM/26/2017 dated 21.06.2017)

- 27.3 – Deleted -

- 27.4 – Deleted -

- 27.5 – Deleted -

- 27.6 – Deleted -

- 27.7 – Deleted -

- 27.8 In the Invitation to Bid published on the website, the name, designation and e-mail address of the designated Administrator who is to be contacted by bidders, as nominated by concerned In-Charge (MM) for the particular tender, should be indicated.

(MM/26/2017 dated 21.06.2017)

(MM/113/2023 dated 08.12.2023)

(MM/116/2023 dated 27.12.2023)

27.9 It shall be insisted that all bidders participating in e-tenders should submit bids only in e-form. Work Centre shall prepare Price Format in excel sheet in protected form. Bidders shall necessarily use the same excel sheet and only Unit rates and applicable taxes shall be filled in by the bidder. Mathematical calculations of multiplications and additions shall be computed by the system itself and cannot be manually entered by the bidders. Compliance to this effect shall be sought in the bid matrix. Compliance/confirmation for pre-qualification criteria and technical / commercial BEC should be insisted in e-form only. Only any specific third party document insisted in Originals as per tender condition received through DAK or Tender Box or tender receiving officer along shall be accepted in physical form in sealed covers. On due date and time, e-tenders shall be opened by concerned Dealing Officer. The physical documents, if any, shall be opened by designated Opening Officers from MM/TPG and Finance. Physical documents of only those bidders shall be opened who have submitted bid through e-portal. For submitting the bids, the vendors will also require digital signature. The system shall assist in evaluation of bids by providing price comparisons and other relevant reports. All such reports should be uploaded in DISHA portal while obtaining approval of CPA.

27.10 After finalization of tender, the purchase orders will be issued through SAP – R3 system.

27.11 Other provisions of MM Manual and Instructions issued from time to time shall be followed by all concerned, as in case of non e-procurement tenders.

27.12 Implementation of e-procurement

(MM/19/2016 dated 23.09.2016)—(MM/26/2017 dated 21.06.2017)

27.12.1 e-procurement is to be used across ONGC for all cases of procurement of materials, services and turnkey contract exceeding tender value Rs. 5 lakhs.

(MM/112/2023 dated 30.11.2023)

27.12.2 However, in case it is felt by a work center not to resort to e-procurement method of tendering for cases exceeding Rs. 5 Lakhs, approval of concerned L-1 would be required. However, such exemption should be bare minimum and exemptions should be sought only in those cases wherein it is extremely difficult to go for e-procurement.

(MM/42/2018 dated 04.10.2018)

27.12.3 In case it is felt by a work center to resort to e-procurement method of tendering for cases below Rs. [5 Lakhs](#), approval of L-1 would be required. However such approval shall not be required in case of procurement through GeM.

27.12.4 However, if it becomes necessary to dispense from the e-procurement mode after invitation of tender, then tender would have to be re-invited by following the provision for re-invitation of tenders as per Clause 14.3 of MM Manual, because the process of tenders being invited in the e-procurement mode is different from tenders being invited under normal tendering procedure

(MM/42/2018 dated 04.10.2018)

27.12.5 All cases for procurement of materials / services on single tender nomination, Board purchases and purchases against ONGC Rate Contracts shall be exempted from e-procurement.

27.13 Bid Return Procedure

27.13.1 The duly completed bid with no system error message can be 'submitted' in e-procurement portal any time before the submission deadline is reached. The bidder shall also be permitted to make changes in his bid and re-submit the same in e-procurement portal till the submission dead line. The final submitted version of bid only shall be considered by ONGC.

27.14 Familiarization/training of vendors

All the bidders have access to online help document which is available on e-portal. This help document should be used by them for participating in e-procurement tenders.

27.15 The due date and time for price bid opening should be intimated well in advance to the bidders, through the System.

28 Procurement of Premium Bits on “Consignment basis” and through out right purchase (Rate Contract)

28.1 Special conditions of procurement process

(MM/62/2020 dated 02.12.2020)

- 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%.

Bits shall be procured under following two categories:

- (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.

Chief Drilling Services shall develop suitable mechanism to ensure that there is no built-up of inventory of premium bits.

(MM/15/2016 dated 05.07.2016)

- 28.1.2** Estimated annual off-take shall need to be indicated in the Invitation to Bid and tender document so as to enable the bidders to get an idea of the volume of expected business at the time of bidding. Estimated initial order quantity, separately for nominated blocks or NELP/ other eligible Block for petroleum operation, shall also be indicated in the tender documents.
- 28.1.3** As only one bid i.e. ranked # 1 shall be considered for award of contract, the Competent Purchase Authority shall be determined as per the BDP in case of Single Tender,
- 28.1.4** The inspection of bits shall be carried out by ONGC or an ONGC appointed representative after receipt of bits in India.
- 28.1.5** For assessing the reasonability of prices, bidders may be asked to submit documents establishing the prices at which the bidder has supplied same or similar type of bit to other Indian PSU Oil / Gas company in last 2 years. Also, Best Price Clause can be included in the GCC.

(MM/62/2020 dated 02.12.2020)

- 28.1.6** Bidder should submit price bids separately for each “Type and Size of bits” , as per the following:

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

Bidder can quote for minimum one "Type and Size of 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.

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).

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.

ONGC's decision on selection of nearest common bits will be final and will be informed to shortlisted bidders, before price bid opening.

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.

- 28.1.7** Contract duration shall be 3 years from the date of notification of Award of Rate Contract, without any provision for price escalation and also without any provision of extension of the contracts.

(MM/62/2020 dated 02.12.2020)

- 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 has to be delivered within 15 days of issue of call-out order.

28.2 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

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.

- 28.2.2** Quantity for which payment shall be made to the supplier should not exceed the ordered quantity.

28.3 Other provisions

- 28.3.1 Other provisions of MM Manual and Instructions issued from time to time shall be followed by all concerned, as in case of other tenders.

28.4 Evaluation procedure

- 28.4.1 Evaluation of offers will be based on the “Criteria for Ranking of Bidders” and “Details and Documents to be submitted for evaluation of Bits”, as per Appendix 9 and 10 of this manual.

(MM/62/2020 dated 02.12.2020)

- 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 Appendix 9 & 10 will be framed by Bit Committee [as constituted by Director (T&FS)] on requirement basis.

- 28.4.3 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 The following methodology will be followed for finalization of contracts:

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.

29 Procurement of items on High sea sales basis

29.1 Introduction

(MM/15/2016 dated 05.07.2016)

- 29.1.1 The procurement of specified goods under Sl.No. 357A of N/N 12/2012-Customs dated 17.03.2012 (as amended by N/N 12/2016-Cus dated 01.03.2016), on payment of Zero Customs duty for petroleum operation can also be availed for the goods which are not imported directly by ONGC but through an Indian Supplier on High Sea sales basis who imports the goods from his Foreign Suppliers provided statutory government guidelines are followed (i.e. condition of customs notification and procedure of High Sea Sale). In High Sea sales transactions, the title of goods passes on to ONGC before the goods cross the Indian Customs barrier. The Bill of Lading/ Airway Bill are endorsed in the name of ONGC by the Indian Supplier and Bill of Entry is filed in Customs in the name of ONGC.
- 29.1.2 Further, no Central Sales tax/ VAT is applicable for High Sea Sales Transactions. The benefit of High Sea Sales (w.r.t. central sales tax/ VAT) can therefore be availed for Non PEL/ML areas also when ONGC is not in a position to import the material directly. However, it should be ensured that statutory government guidelines are followed. Orders on High Sea Sales basis should be placed only on such domestic firms who are the OES (Original Equipment Supplier) or the subsidiaries / Joint Venture companies / Authorised Dealers / Distributors / stockists of OEM. Procurement on High Sea Sales shall not be done from the Indian agent/consultant/ representative/ retainer/ associate of the foreign suppliers. This should be done only when ONGC cannot import the material directly. Such procurement on High Sea Sales basis would normally be applicable for OEM spares / PAC items where the foreign supplier is not willing to sell directly to ONGC.

Process for effecting High Sea Sales

- 29.1.3 In High Sea Sales transactions, the Indian Supplier endorses the Bill of Lading or Air Way Bill in the name of ONGC before the goods cross the Customs barrier and customs clearance would be carried out by ONGC, T&S.
- 29.1.4 The Supply order should be placed on the Indian supplier by the concerned work centres **of ONGC on High Sea sales basis**

29.2 Terms of Purchase – On High Sea Sales Basis

- 29.2.1 The supply order will be placed on Indian supplier at a total price inclusive of C&F value of the foreign supplier and the Marine Transit insurance cost, which is to be arranged by the Indian supplier on warehouse-to-warehouse basis. The C&F and the insurance cost mentioned above will be indicated in the supply order. The Indian Supplier should arrange for despatch of goods from the foreign Supplier, freight paid, through his freight forwarder and duly insured (Marine Transit Insurance) on warehouse-to-warehouse basis, all included in the CIF (Indian Port) cost, which will be indicated in the supply order.
- 29.2.2 The freight forwarder/supplier should inform the concerned port consignee and the MM department about the despatch and arrival of cargo.
- 29.2.3 Immediately on shipment of the material from the foreign port, the Indian supplier should send to the concerned MM department, the original High Sea Sales agreement (as per the format enclosed at Appendix 1), duly signed by the Indian supplier on the date after the cargo is despatched (and well before it crosses the Indian customs barrier). The Indian supplier should also endorse the Bill of Lading/ Air Way Bill in the name of ONGC when the material is in transit/ on High Seas.
- 29.2.4 Indian supplier should also simultaneously; send a copy of the non-negotiable set of the documents referred in 29.3.8 below, to concerned MM and finance sections.
- 29.2.5 Indian supplier must ensure that the freight forwarder provides a non-negotiable copy each of AWB/Bill of Lading, Invoice of foreign supplier and detailed packing list of the foreign supplier, to the Port Consignee, well before the arrival of cargo at the port of discharge
- 29.2.6 The concerned MM section should sign the original High Sea Sales agreement so received from the Indian supplier, on a date after the cargo is despatched but before it crosses the Indian customs barrier and send the same to T&S section.
- 29.2.7 Respective ONGC Work Centre will expeditiously obtain Essentiality Certificate through DGH, wherever applicable, and forward the same to T&S for clearance, under intimation to MM.
- (MM/26/2017 dated 21.06.2017)
- 29.2.8 The Indian supplier should also forward, without delay, the following negotiable set of documents through bank for payment by the concerned finance department:
- Original invoice of the foreign supplier either on Ex-works or FOB or C&F Value, raised on the Indian supplier.
 - Original invoice of the Indian supplier raised on ONGC.

- c. Negotiable copy of the Bill of Lading/ Air Way Bill duly endorsed in the name of ONGC.
- d. Letter in duplicate by Indian supplier on their letterhead addressed to customs/ octroi agreeing for sale of goods to ONGC on high sea sales basis.
- e. Importer-Exporter Code of the Indian Supplier
- f. Detailed packing list of the foreign supplier, relating to Bill of Lading/AWB referred at (c) above.

29.2.9 EX-works or FOB or C&F value of the foreign suppliers at (a) and invoice value of the Indian Supplier as at (b) should be clearly indicated in the PO itself, after assessing the reasonability of (a) and that of the difference in (b) and (c) during the finalization of the order by ONGC.

29.2.10 Concerned finance department at work centre shall expedite the release of the negotiable set of documents from bank without any delay and forward the same to concerned T&S department.

29.2.11 The supplier should ensure that various formalities as stated above and the documents as stated above are forwarded in time to ensure release of documents from the bank without any delay so as to avoid demurrage. In case of unavoidable delays on the part of the Indian supplier, the Indian supplier must instruct his freight forwarder to issue the delivery order to T&S, ONGC without insisting for the negotiable set of documents. Any demurrage / penalties on account of delays by the Indian supplier in forwarding negotiable set of documents duly endorsed in the name of ONGC shall be borne by the Indian Supplier.

29.2.12 The Indian supplier must instruct the freight forwarder to release the consignment to ONGC, once the documents are negotiated through bank, without insisting for production of bank documents. In case demurrage is incurred due to the failure of supplier to do so, the same shall be recovered from the supplier.

29.2.13 After clearance of the goods by T&S, ONGC, transport of goods upto the ONGC destination should be arranged by T&S Section, ONGC, as per the terms of the order.

29.2.14 The concerned Finance must ensure that the Exchange Control copy of Bill of Entry is provided to the Indian Supplier on receipt of the same from T&S officer.

29.2.15 The MM Officer concerned must ensure that Finance Department at the Work Center expedites the release of Negotiable documents from Bank and same is forwarded by Finance to T&S without any delay.

30 Rate Contracts through IMPETUS

30.1 Introduction

(MM/113/2023 dated 08.12.2023)

- 30.1.1** IMPETUS project is mandated to enter into rate contracts [through Central RC & Empanelment Group of CPD](#) for supply of spares of equipments. For entering into rate contract for supply of spares, preference will be given in the following order:

1. Original Equipment Manufacturer (OEM)
2. Packager of the equipment/system
3. Original Equipment Supplier (OES)

Rate Contract should be preferably entered with OEMs/ Packager/OES (in that order of preference) only. In case OEM/Packager/OES is not willing to enter into rate contract, the OEM/ Packager/OES is asked to nominate single authorised agency/firm (even in case of multiple sources) and Rate Contract shall be entered with such authorised firm only.

30.2 Definition

30.2.1 Original Equipment Manufacturer (OEM)

OEM of equipment is the one who manufactures the unit. Such OEMs are responsible for the performance of the equipment manufactured by them as per design parameters and give warranty and guarantee accordingly

30.2.2 Packager

The Packager is the one who designs and packages the complete System/Unit after sourcing various equipment from different OEMs/OESs. Such Packager is responsible for Warranty / Guarantee for satisfactory performance of the complete system/unit inclusive of all the equipment manufactured by different OEMs and installed in the System / Unit. The Packager/System Manufacturer may also manufacture some of the equipment by himself

30.2.3 Original Equipment Supplier (OES)

OES is the Original Equipment Supplier of equipment / major assembly/ sub-assembly/ components outsourced by OEM/Packager

30.3 Selection of equipment

(MM/05/2015 dated 01.06.2015)

- 30.3.1 Rate contracts will be concluded for supply of spares for all critical equipment/ systems installed on offshore/onshore Installations/ facilities/ rigs, including imported spares for imported equipment such as drilling equipment, mechanical equipment, Electrical spares and spares for instrumentation equipment, which are related to Onshore Drilling and Well services

However, the spares for which no IMPETUS rate contract exist shall be procured by the work centers themselves.

- 30.3.2 In case of any other equipment which has spares consumption more than Rs 50 lacs annually, the equipment can be brought under umbrella of Rate Contracts

(MM/113/2023 dated 08.12.2023)

- 30.3.3 Head Impetus in consultation with CPO will finalize the equipment for entering into Rate contract for supply of spares

30.4 Price basis

- 30.4.1 The firm identified for supplying of spares will have to submit the bid in either of the following:

1. The firm has to offer international price list mechanism with a provision of periodical price revisions with suitable discount and the rate contract shall be entered based on this price list with agreed discount

2. In case the rate list offered by the firm is offered price list but not the International price list, the rates are to be firm for a minimum period of one year with provision of annual price revision. The rate contract shall be entered based on the annual price list with agreed discount

30.5 Rate reasonability

- 30.5.1 In case LPR is available, then LPR with suitable adjustment (upward or downward) as per provisions of para no.4.2.4 & 14.1.4 will serve as the basis for rate reasonability for the international price list or offered price list. However, wherever LPR is not available, Procurement Evaluation Committee shall be empowered to deliberate/negotiate on the rate reasonability

30.6 Annual Off take

- 30.6.1 The off take for the purpose of entering into rate contracts shall be based on the annual average consumption of spares during last three years or considering the future requirement based on planned maintenance activity. In case the rate contract is entered into for spares of new equipment, consumption based on OEM recommendation/Users' feedback may form the basis for Off take

30.7 Period of Rate Contract

(MM/22/2017 dated 27.02.2017)

- 30.7.1 The Rate contract shall be entered preferably for a period of three/five years

Notwithstanding the above, contract shall have provisions that ONGC reserves the right to enter into fresh contract for a further period of three/five years on the mutually agreed rates and on the same terms and conditions, including modifications, if any with mutual consent.

Prior to exercising each provisions of option for a fresh rate contract, IMPETUS Project shall assess the necessity of rate contract and seek administrative approval of L-1 authority for entering into fresh rate contract with the same Contractor.

The CPA for approval for entering into fresh contracts in such cases shall be as per BDP based on the estimated value of rate contract for the proposed period only.

30.8 Nodal agency

(MM/113/2023 dated 08.12.2023)

- 30.8.1 Nodal Technical Agency for IMPETUS Rate Contracts shall be IMPETUS Group and all the procurement related activities for these Rate Contracts shall be handled by Central RC & Empanelment Group of CPD. All Rate Contracts shall be uploaded in ICE by IMPETUS Group. The updation of price list in the contract shall be the responsibility of IMPETUS group/ Central RC & Empanelment Group of CPD.

30.9 Clarifications

- 30.9.1 The clarifications (commercial & technical) shall be sought by the concerned Dealing Officer of Central RC & Empanelment Group of CPD with the approval of Head MM-CPD based on commercial evaluation by MM and technical evaluation by Technical Section of IMPETUS.

30.10 Negotiation

(MM/22/2017 dated 27.02.2017)

(MM/112/2023 dated 30.11.2023)

- 30.10.1 Procurement Evaluation Committee shall conduct negotiation including discussion on pending exceptions/deviations to terms and conditions, if any, with prior approval of CPA. The L-1 officer shall have full powers in this regard.

30.11 Post Contract Modifications

30.11.1 All post contract modifications in the rate contract that inter-alia include price revision, addition/deletion of spares from the price list shall be approved by - Competent authority as per BDP on the recommendation of [Procurement Evaluation Committee](#) subject to satisfying the following conditions:

- (i) [Procurement Evaluation Committee](#) certifying price reasonability.
- (ii) OEM furnishing an undertaking / certificate that prices charged are not higher than those charged to other customers.

30.11.2 The CPA for the purpose of approval of post contractual modifications shall be the same authority, who has approved the award of rate contract. [Purchase Orders against the concluded Rate Contracts shall be placed by concerned Indenting/User Section of the Work Centre, without MM support.](#)

Any amendments specific to a Purchase order shall be done by the concerned work centre with the due approval of competent authority based on the order value

CPA will be empowered to approve Post contract issues. [Concerned L-1 shall have full powers in this regard. \(MM/112/2023 dt. 30.11.2023\)](#)

30.11.3 Tender for Rate Contract for procurement of Spares should preferably take place through e-procurement mode. Tender opening date for procurement / rate contract of items should be fixed. However, in case bids are received before closing date of tender, the same should be opened by the dealing officer without any approval. In case no offer is received upto on or before submission date, the dealing officer shall take up the matter with bidder and extend the submission date after seeking approval of concerned In charge-MM

[\(MM/10/2016 dated 23.03.2016\)](#)

[In case an OEM insists on inclusion / deletion of a specific clause, the terms and conditions can be modified. However, any exception/ modification should be approved by Concerned Level-I.](#)

31 Business Development and Joint Venture opportunities

31.1 Introduction

- 31.1.1** ONGC is pursuing “Business Development& joint Venture (BD&JV) opportunities” in the field of petrochemicals, power, renewable energy, fertilizers, LNG etc in India and overseas. This requires engagement of Financial, Technical, Legal and Tax & Accounting consultants/advisors for evaluation of opportunity from technical, commercial and legal point of view. The consultants are required to be engaged in a compressed time frame so that ONGC is able to finalise the bidding parameters for the opportunity in a time bound manner, therefore, necessitating formulating a procedure for BD&JV opportunities. The same procedure shall be applicable to other assignments of the BD&JV group.
- 31.1.2** The functions, in this procedure, are to be discharged by personnel of BD&JV Group, Finance, Materials Management and other User groups for hiring of consultant/ Advisors for Business development activities of ONGC. Various powers indicated in this manual, as per authorities delegated under the provisions of ONGC BDP (at Board level& below Board level). The BDP powers shall stand automatically updated in accordance with the revisions / amendments carried out to the respective provisions of BDP (from time to time), unless any other specific instruction is issued subsequently by CS-ONGC/Chief MM/PMC/ONGC with respect to the provisions of such revisions in BDP.
- 31.1.3** Any changes/deviations in this procedure as may be required will be done with approval of Executive committee.

31.2 Procedure for placing Purchase Requisition (PR) on materials management

- 31.2.1 Assessment of Requirement/Scope of Work (SOW):** The Indentor i.e. BD&JV Group shall be responsible to assess the requirement and to ensure that the Scope of Work (SOW) is comprehensive as far as possible. The Scope of Work (SOW) along with special terms and conditions like completion period (wherever possible), experience requirement & other such condition should be finalised before sending the PR to MM Depts. for processing. The SOW for Financial & Tax and Accounting consultants should be prepared by BD&JV-Finance along with the expenditure estimates. Wherever completion schedule is mentioned in the RFP, provision for further extension of the contract beyond the contract period, be also suitably made. The Scope of Work along with Special terms and conditions will be approved by Head-BD&JV.

(MM/112/2023 dated 30.11.2023)

31.2.2 Change in SOW: Efforts should be made not to change the SOW after invitation of RFP/tender. However, if it is inevitable then the modification in Scope of Work (SOW) can be carried out with the approval of **concerned L -1** and the same would be notified to all the bidders before the due date of submission of bids so as to ensure that the bids are submitted accordingly in line with the modified SOW.

31.2.3 Expenditure Sanction: The PR must accompany the expenditure sanction as per BDP for the duly approved SOW from the sanctioning authority. Under exceptional circumstances the processing of a case may be allowed without expenditure sanction with the approval of Head-BD&JV. However, under no circumstances, the price bid opening is to be allowed without expenditure sanction. Expenditure Sanction should be prepared in a realistic and logical manner i.e. either based on the past data available with BD Group or based on the budgetary quotation.

(MM/112/2023 dated 30.11.2023)

31.2.4 Urgency: The urgency should be clearly specified in the PR and the approval of **concerned L-1** be obtained by the User group before sending PR to MM.

31.2.5 Indication of Agencies for inviting RFP/tender: RFP/Tender enquiry shall be sent to all empanelled firms after the approval of Head-BD&JV. The list of empanelled consultants, for sending RFP/Tender enquiry can be pruned down with the approval of EC after due justification by BD&JV group.

In specific cases (including nomination cases), where strategic issues are involved or on the basis of confidentiality or if the target assets are located in more than one region/country or on some other criteria, RFP/Tender enquiry can be sent to firms which are not on the aforesaid panel or to firms which have been empanelled for multiple regions with the approval of EC.

31.2.6 Date of Indent: If the above points are not complied with by the Indentor, that indent will not be treated as a firm indent, till all the points are clarified. The date on which all the points or shortcomings in the indent are settled that date will be considered as the date of indent.

31.3 Empanelment of consultants/advisors

31.3.1 The case for empanelment of consultants/advisors shall be processed by the BD Team

31.3.2 The criteria for empanelment should be clearly specified while empanelling the consultants/advisors. The empanelment of consultants/advisors shall be based on criteria finalized in-house such as the ratings/rankings of the consultants/advisors appearing on International websites/publications available in public domain or based on criteria formalized in-house. The names of empanelled consultants/advisors shall be displayed on the ONGC website. The criteria and list of agencies to be empanelled for empanelment as consultants/advisors shall be approved by the EC and shall be reviewed as and when required but not later than two years.

31.3.3 Vendor empanelment will be for a period of 3 years and can be subsequently renewed in case the vendor performance is above the threshold set for de-empanelment. The empanelment process for new vendors on the basis of existing criteria will be opened every year.

(MM/112/2023 dated 30.11.2023)

31.3.4 In case a consultant/advisor is hired on nomination basis who is not among the list of empanelled consultants/ advisors, this nominated consultant/ advisor would be empanelled for that specific opportunity category with the approval of **concerned L-1**. The empanelment criteria need to be published and opportunity provided (through open tender) for other consultants/advisors before limited tenders to vendors empanelled through nomination route can be carried out.

31.4 Vendor Appraisal of Consultants/Advisors

Vendor appraisal of consultants/advisors empanelled or otherwise, could be carried out according to para 17.4 on vendor appraisal.

31.5 Invitation of RFP/tenders for appointment of consultants

31.5.1 Limited tender to be preferred mode of tendering in business development as the sources of services is typically know and limited. Once the tender is invited the same should be finalised in a time bound manner. Re-invitation of tender is to be avoided keeping in the nature of business development at ONGC

31.5.2 Issue of RFP/Tender: RFP shall be issued to all bidders in line with para 31.2.5.

31.5.3 Tender Fee: No tender fee shall be charged as the tenders (RFP) are to be issued to already empanelled/identified consultants/advisors.

- 31.5.4** RFP/Tenders are to be invited through e-mail. For this purpose an individual tender box i.e. mailbox, for each type of consultant, is required to be created in ONGC-mail by the dealing MM officer and the details of this tender box shall be communicated to all the bidders (in RFP) along with due dates of tender submission and opening. Password for the mailbox will be sent by the In charge infocom/Designated officer to the dealing officer of MM Dept in a sealed cover which will be opened at time of tender opening.
- 31.5.5** The RFP/tenders will not be sent for publication in newspapers or website as these are to be invited from empanelled agencies only. Individual tenders will not be displayed on ONGC website as the names of empanelled consultants/advisors are already displayed as mentioned in para 31.3.
- 31.5.6** **Two Bid System:** Two Bid system shall be followed for all the tenders for hiring of consultants/advisors for BD&JV opportunities. The bidders will be asked to submit Unpriced i.e. Techno-commercial bid and Price bid separately in two different mailboxes in ONGC mail. Both the bids shall be submitted simultaneously in different mailboxes. The mailbox containing Techno-commercial bids will be opened first, on the scheduled day of tender opening as mentioned in RFP. Quality and cost based selection (QCBS) methodology of tender evaluation as explained in para 11.3 should be leveraged as required. After techno-commercial evaluation of the bids the techno-commercially acceptable bidders (all bidders in case of QCBS with no mandatory criteria) shall be notified of the date of opening of priced bids, by e-mail.
- 31.5.7** **Time to be allowed for tendering:** Save in special cases which should be approved by Head-BD&JV, minimum 04 working days' should be allowed to the consultants/Advisors for submission of their bids. The case for award of the contract should be finalized within 07 working days from the date of opening of Techno-commercial bid.

The date of opening of the Techno-commercial bid and price bid will be intimated to the bidders to enable them to participate in the bid opening, if they so like.

- 31.5.8** **Validity Period:** The bidders will be asked to keep their offers valid for 30 days from the date of opening of techno-commercial bids (un-priced bids). The price/rates would remain firm during the validity period of the bid.

For any particular case, if longer bid validity period is considered necessary, then the longer bid validity period can also be specified in the tender with the approval of Head-BD&JV, but due justifications for such longer bid validity requirement must be given while obtaining the approval. However, after specifying a reasonable time for bid validity period, the same must be adhered to.

31.5.9 Nomination of Tender Receiving/Opening Officer(s): Process as per 12.21 of this manual shall be followed

31.5.10 Accounting & Opening of Tenders: The Tender Receiving/Opening Officers will open the designated mailbox as notified in RFP. They shall take a screen printout of the same, open all the mails received and printout hard copies of all the bids received, bidder-wise. If any due date happens to be on a Gazetted Holiday then next working day may be fixed as the tender due date.

The Tender Opening Officers will encircle the rates and terms and conditions and put their initials. Total number of sheets in the bid will be mentioned on the first sheet of bid and all the sheets should be initialled by both the officers opening the bid and the bid will be given serial number. For example, if 7 bids have been received against one particular enquiry, then bids should be numbered as 1/7, 2/7 and so on. The bids which are received after due date and time should be marked 'Late' tender with No. 8/7 and so on.

Both Tender Opening Officers will sign the register against the name of the firms whose bids have been received. The tender opening officers should make sure that no space/page is left blank between the last entry of particular tender (which has been opened by them) and the starting page of the next tender (appearing in the register), by crossing out the blank space/page with the remark "space/page cancelled" and should also initial on these pages.

31.6 Hiring of consultants/advisors on nomination

In case of any exigency/emergency the consultant/advisor can also be hired on nomination basis based on the following:

- a) Operational urgency
- b) In case any Consultant/Advisor brings the opportunity on exclusive basis
- c) Consultant/Advisor specific to the Project requirement

The detailed justification for hiring on nomination will be recorded by the Indentor in the proposal moved for A/A. A/A along with E/S shall be conveyed to Materials management for further action.

All nomination cases shall be reported to the Board as per prevailing instructions and any modifications thereof issued from time to time.

31.7 Cancellation/re-invitation of tenders

31.7.1 Guidelines as per 14.3 of this manual should be followed

31.8 Extension of tender closing / opening date

31.8.1 Guidelines as per ~~12.27~~ 12.26 of this manual should be followed.

31.9 Clauses in tenders (RFP) / engagement agreement

- 31.9.1** The standard tender document (RFP)/Engagement Agreement, duly approved by EC, shall be adopted for hiring of consultants/advisor. Any change in terms and conditions except special conditions of the Engagement Agreement, in the tender document, shall require the approval of EC.

31.10 Earnest money (bid security) and security deposit(performance security)

- 31.10.1** EMD/SD shall not be obtained as the tenders are being invited from empanelled agencies/nominated agencies.
- 31.10.2** Liquidated Damages will not be applicable for empanelled/nominated agencies.

31.11 Clarification from bidders after tender opening

- 31.11.1** At the techno-commercial bid evaluation stage, post tender clarifications should be avoided, as far as possible.

(MM/113/2023 dated 08.12.2023)

- 31.11.2** However, in case after opening of un-priced techno-commercial bids, if it is observed that clarifications from the bidders on important techno-commercial aspects are necessary for enhancing competition in the tender, opportunity shall be given to provide clarifications/ confirmations/deficient documents. *Guidelines as per para 13.4 shall be followed in this regard.*

- 31.11.3** Clarifications should be sought from bidders, by specifying a reasonable cut-off time for submission of clarifications/ confirmations/ deficient documents. Sufficient time should be given to the bidders to submit their responses depending upon the nature of clarifications/confirmations/deficient documents which are required to be submitted. However, in the event of an unscheduled holiday falling on the specified day of the 'cut off time', the next working day shall be treated as the 'cut off time'. In all other situations, if an extension for the 'cut off time' is felt necessary based on requests received from the bidder(s), approval should be obtained from Head-BD&JV. Such approval for the same should be obtained before the expiry of the specified 'cut off time' and the decision should be communicated to all the bidders from whom the clarifications/conformations/deficient documents have been sought.

(MM/112/2023 dated 30.11.2023)

- 31.11.4** Clarifications/confirmations/deficient documents which are received after the specified cut-off date should be considered only in exceptional situations depending upon merit of the case, where at least two clear TA/CA offers are not available, with the approval of *concerned L-1*, after recording detailed justification for considering such offers.

31.12 Correspondence with bidders by indentors

31.12.1 Guidelines as per 13.5.1 should be followed

31.13 Technical comments on offers

31.13.1 Guidelines as per 13.1 should be followed.

(MM/113/2023 dated 08.12.2023)

31.14 Formation of BEC Formulation Committee/ Procurement Evaluation Committee and its monetary limits

For all cases of hiring consultants/advisors for BD opportunities, guidelines as per para 10 shall be followed.

(MM/112/2023 dated 30.11.2023)

31.15 Evaluation of bids & shortlisting of bidders Guidelines as per para 13, 14 & 15 shall be followed.

31.16 Acceptance of recommendations of BEC Formulation Committee/ Procurement Evaluation Committee

31.16.1 Guidelines as per 10.5 of this manual should be followed.

31.17 Proposals to Executive Committee (EC)

31.17.1 Terms & Conditions (except Scope of Work and Special Terms & Conditions) for appointment of consultant/advisor shall be standardized and approved by EC. Issue relating to modification in the BD procedure (for hiring of consultants/ advisors) of ONGC or any change in standard terms & conditions, may be referred to the Executive Committee (EC) for its decision.

31.18 Consideration of offers & shortlisting of bidders

31.18.1 Guidelines as per 15.1 of this manual should be followed.

31.19 Reasonability of rates

(MM/10/2016 dated 23.03.2016)

31.19.1 Guidelines as per Para 14.1 to be followed.

31.19.2 Placement of order when one offer is received

(MM/112/2023 dated 30.11.2023)

If after inviting tenders, only one offer is received against the tender, the order may be placed on the bidder provided the rates are considered reasonable or if the requirement is urgent. The urgency of the requirement would be approved by the concerned L-1.

31.20 Negotiations

(MM/26/2017 dated 21.06.2017)

31.20.1 Guidelines as per 14.2 to be followed.

31.21 Powers for various activities

31.21.1 Competent Authority for approving Scope of Work, proposed Technical BEC (if any), Technical part of Special Conditions of the Contract, Invitation of Tenders, change of Scope of Work as a sequel to invitation of tender, shall be Head-BD.

31.21.2 Purchase Powers

31.21.2.1 Accept a tender for hiring of consultant/advisor against tenders from empanelled agencies:

Competent purchase authority and extent of power shall be as BDP

31.21.3 Against Nomination, in case of operational urgency and/or reliability and/or exclusivity:

Competent purchase authority and extent of power shall be as per BDP

31.21.4 Signing of Contracts / Placement of PO:

Authority	Extent of powers
As per BDP	Full Powers

31.22 Alterations in conditions of tenders (before issuance of tender)

31.22.1 Standard tender document with terms and conditions shall be followed for invitation of RFP. However, special conditions of contract in the tender can be added with the approval of Head-BD&JV. Any proposed provisions, which are in conflict with the existing policy/ procedure/ PMC instructions, will require approval of EC, ONGC.

31.22.2 For nomination cases CPA will have full powers to alter standard terms & conditions, if required.

31.23 Post contract issues

(MM/113/2023 dated 08.12.2023)

31.23.1 Post contract issues (Post LOA/NOA issues,) will require to be deliberated by the [Procurement Evaluation Committee](#) and submitted for approval of the Competent Purchase Authority.

31.23.2 All the post contract issues regarding amendment in condition(s) of contract will be approved by the authority as per the value of the case and powers delegated as per BDP.

31.23.3 Increase in Scope Of Work (SOW) after award of contract: If, during execution of the contract the SOW increase beyond the contractual provisions and it is considered critical as well as essential to get this additional SOW executed through the same contract, the following is authorised:

31.23.3.1 If the increase in SOW is up to a value of 10%, over and above the original contractual value then Head BD&JV can accord the A/A for continuing the job on the same terms and conditions & rates, however, the case is to be put up later on to CPA for ex-post facto approval (to be decided based on cumulative value) on the recommendation of [Procurement Evaluation Committee](#).

31.23.3.2 At any point during execution of the contract, if it is felt that there is a chance that the value of additional SOW may increase beyond 10%, over and above the original contract value, the Project Group shall take A/A & E/S from the competent authority (to be decided based on cumulative value). The contract shall then be amended after taking prior approval of competent purchase authority (to be decided based on cumulative value) on the recommendation of [Procurement Evaluation Committee](#) before executing the additional SOW.

31.24 Extension of completion date

31.24.1 Guidelines as per 18.2.8 of this manual should be followed.

31.25 Termination of contract

31.25.1 Guidelines as per 23.2 of this manual should be followed.

31.26 Complaints / representations - consideration of

31.26.1 Guidelines as per 24.4 of this manual should be followed.

32 Procedure for charter hiring of Aircrafts/Helicopters for movement of VVIPs or to meet contingency/emergency

(MM/40/2018 dated 29.08.2018)

(MM/112/2023 dated 30.11.2023)

- 32.1** The Indenting Department/Corporate Logistics shall obtain Administrative Approval (AA) and Expenditure Sanction (ES) from Chairman & CEO.
- 32.2** For hiring of Aircrafts/Helicopters for movement of VVIPs or to meet contingency/emergency, whenever possible a Board of officers at the level of In-charge of Logistics/Indentor and corresponding level of Finance department shall be constituted with the approval of concerned key executive.
- 32.3** If it is found that constitution of Board is not possible due to paucity of time, full justification shall be recorded for the same, while submitting the proposal for AA.
- 32.4** The names of the firms to whom enquiries have to be sent shall be selected from the list of firms identified depending upon the originating sector of operation, type of Aircraft required, seating capacity etc. The list of the firms shall be updated from time to time by Corporate Logistics with the approval of Head Corporate Logistics.
- 32.5** The enquiries with brief technical details, terms & condition and tentative schedule shall be sent to as many firms by Logistics/Indentor as possible, as per instruction in vogue on this issue. Names of such firms proposed for sending enquiries shall also be got approved from the Director-I/c Logistics. The enquiry can be sent to the firms either by ONGC mail, fax or by post depending upon the availability of time.
- 32.6** Conditions relating to submission of EMD and Security Deposit shall not be incorporated in the tender documents.
- 32.7** The bids through fax or e-mail can also be obtained and accepted for processing and finalization of the tender. However, bids submitted through fax or e-mail should be followed by original bid for records.
- 32.8** Based on the technical requirement mentioned in the enquiries, technical evaluation shall be carried out by the Logistics/Indentor. The Comparative Statement shall also be prepared by them and got vetted from the attached Finance

(MM/113/2023 dated 08.12.2023)

32.9 A **Procurement Evaluation Committee** at In-charge level of Logistics/ Indentor and corresponding level of Finance Department shall meet for deliberation on hiring of the aircraft and lowest technically acceptable offer shall be recommended for award of Work Order. Irrespective of the value of the case, recommendation of the **Procurement Evaluation Committee** shall require **approval of Director-I/c Logistics**. In case of hiring of aircraft through Board of officers also, the proceedings of the Board consisting of In-charge level of Logistics/ Indentor and corresponding level of Finance Department for award of the Work Order shall be approved by **Director-I/c Logistics**.

32.10 After approval of **PEC's** recommendations/proceedings of the Board, PR and Work Order will be created for regularization of payment by Logistics/ Indentor.

(MM/112/2023 dated 30.11.2023)

32.11 The cases upto Rs. 1 crore shall be reported to **MCoDP** and the cases above Rs. 1 crore shall be reported to Board

33 EPCG Cell

33.1 Roles and Responsibilities

33.1.1 The role and responsibility of EPCG Cell shall be as under:

- i. To obtain the year wise expected export revenue from Marketing Group Export Cell and work out the potential benefit under the EPCG Scheme.
- ii. To identify P.O.s/Contracts, where Custom Duty is payable against EPCG License can be obtained.
- iii. To obtain nexus certificate from the concerned indenter certifying that nexus exists between the item being procured and production of Naptha/Crude Oil.
- iv. To file application for EPCG License against each P.O. / Contract in the prescribed format and submit it to the office of DGFT and obtain EPCG License in time.
- v. To send the EPCG license to concerned T&S office so that the goods can be cleared at the concessional rate of Customs duty.
- vi. To co-ordinate with the T&S Office(s) so that after utilization of EPCG License, same is returned in original along with utilization statement to the EPCG Cell. Head T&S to maintain a proper record of EPCG Licenses, its utilization, custom duty saved along with details of P.O. etc.
- vii. To co-ordinate with indenter for obtaining installation certificate. The Indentors, in co-ordination with local MM & Finance, will obtain the installation certificate from jurisdictional Central Excise Authority (if applicable) or independent Chartered Engineer. Wherever application for installation certificate is made to Central Excise Authority and if 30 days have lapsed from the date of acknowledgment of such application, the trade shall submit the copy of acknowledgment along with a Chartered Engineer certificate confirming the installation of the capital goods within six months from the date of imports. However, the applicant shall submit declaration to the effect that no deficiency has been raised by the Excise Authority and original acknowledgment has not been called back by the Authority
- viii. To ensure that the installation certificate is submitted to the Regional Licensing Authority of DGFT within six months of import or if the same is not submitted, to get the required extensions from DGFT and to file the same within the extended time.
- ix. To forward the details of EPCG License to Export Cell in Marketing Group at Mumbai for carrying out the fulfilment of the export obligation.

- x. To fill the necessary details in the DGFT formats along with installation certificates and apply for closure of the License and get the discharge of export obligation certificate issued from DGFT.
- xi. To register all the locations/assets/plants/basins/institutes with Jt. DGFT (Joint Director General of Foreign Trade) and FIFO (Federation of Import Export Organization) if they are not registered.
- xii. To maintain proper record of each EPCG License, its utilization, installation certificate details, Custom Duty saved, export obligation fulfilled within the stipulated period etc. for reporting and monitoring purpose,
- xiii. where ever application for installation certificate is made to Central Excise Authority and if 30 days have lapsed from the date of acknowledgment of such application, ECPG cell shall submit the copy of acknowledgment along with a Chartered Engineer certificate confirming the installation of the capital goods within six months from the date of imports to the office of Zonal Jt. Director, General of Foreign trade. Along with a declaration that no deficiency has been raised by the Excise Authority and original acknowledgment has not been called back by the Authority where ever application for installation certificate is made to Central Excise Authority

34 Powers for various activities

34.1 Competent Authority for approving various activities

(MM/26/2017 dated 21.06.2017)

(MM/04/2015 dated 28.04.2015)

(MM/10/2016 dated 23.03.2016)

(MM/109/2023 dated 30.10.2023)

(MM/112/2023 dated 30.11.2023)

(MM/114/2023 dated 20.12.2023)

SI No	Activity	Competent Authority
1	<p>(i) (a) Scope of Work, Technical Specifications, Technical BEC, Technical part of Special Conditions of the Contract including Changes in any of above as a sequel to pre-bid conference or otherwise, (which are to be enclosed with the tender) (to be forwarded to MM Department along with indent after approval of Competent Authority).</p> <p>(b) Price format (as proposed by indenter and forwarded to MM department along with indent.)</p> <p>(ii) Pre-Qualification Criteria (PQC) for Limited Tender and the list of bidders who meet the PQC.</p>	<p>Sanctioning Authority.</p> <p>however, Concerned Level-I executive shall have full powers.</p> <p>Level-II- For tenders valuing between Rs. 10 lakhs to Rs. 25 lakhs. Level-I – Concerned L-1 shall have full powers.</p>
2	<p>(a) Invitation of Tenders including the type of tender to be invited, in case of any deviation from specified tendering mode, Price format, GCC (where standardized / approved GCC are not applicable/ available), other Special Conditions of Contract excluding those approved by Sanctioning Authority as per 34.1.1 above (which are to be enclosed with the tender). Changes in price format and other special tender conditions of contract as a sequel to pre-bid conference or otherwise</p> <p>(b) BEC excluding Technical BEC to be enclosed with the tender. Any change in BEC excluding Technical BEC as a sequel to pre-bid conference or otherwise.</p>	<p>Competent Purchase Authority</p> <p>However, Concerned Level-1 executive shall have full powers.</p> <p>CPA (Concerned Level-1 full powers)</p>

Note:

- (i) Any proposed provisions, which are in conflict with the existing policy/procedure/ PMC instructions, will require approval of **MCoDP**.

(MM/10/2016 dated 23.03.2016)

(ii) – Deleted -

34.2 Purchase Powers

34.2.1 Purchase powers shall be as outlined in the BDP.

(MM/113/2023 dated 08.12.2023)

34.2.2 Acceptance of offer other than lowest technically acceptable offer (where **Procurement Evaluation Committee** is not held)

- a. For tenders of value of less than Rs. 10 lakhs purchase shall be finalised with concurrence of Finance if the lowest technically acceptable offer is not operated.

34.3 Placement of development order on a domestic bidder

(MM/112/2023 dated 30.11.2023)

34.3.1 Powers for approving placement of development order shall be as per BDP.

34.4 Miscellaneous powers of officers of materials management

34.4.1 Freight for materials carried:

- a. Ocean, River, Railway, Road and Air (where Air is cheaper or more suitable than alternative modes except the cases where indenter had not specifically mentioned as per clause 20.7)

Authority	Extent of power
Level-III	As per actuals

- b. Air (including airlifting of imported material) in urgent cases

Authority	Extent of power
Level-I	As per actuals

Note: Above powers ((i) & (ii) above) appearing as per BDP (powers for Logistics) can be exercised by MM section also

34.4.2 Wharfage & Demurrage (Supply Material transported by ship/road/rail/Air)

Authority	Extent of power
Level-II	Full powers

Authority	Extent of power
Level-III	Upto Rs. 5,000 for each case

Notes:

1. Above powers appearing under BDP- (powers for Logistics can be exercised by MM section also).
2. Quarterly Report of Wharfage & Demurrage cases above Rs.5000 to be submitted to the concerned Level-1 executive

34.4.3 Expenditure sanction for hiring of service & facilities at ports (including airports), railway station/yard and allied agencies such as shipping/trucking/ cargo agents, stevedores, clearing & handling agents, etc. (includes services such as stevedoring, handling, trucking, clearing & handling charges and other charges at ports, railway station/trucking, store yard and handling and transporting charges to warehouse before dispatch of materials to destination and Certification agency dues and Mercantile Marine Departmental Charges)

Sl. No.	Authority	Extent of Powers	Remarks
i)	L-I	Up to RS. 10 crore in each case	i) Efforts shall be made to enter into annual rate Contracts with suitable agencies wherever the handling and transportation jobs are of recurring nature and departmental facilities are not adequate.
ii)	L-II	Up to RS. 10 crore in each case	
iii)	L-III	Up to RS. 10 crore in each case	
iv)	L-IV	Up to RS. 10 crore in each case	
			ii) Where such a contract is not available, the powers shall be exercised by the highest available officer at the level of Sr. MM officer and above.
			iii) Financial concurrence will be necessary.

34.5 Powers for purchase by negotiations

(MM/64/2021 dated 24.03.2021)

In case the purchase has to be effected by negotiations before placing order, the procedure laid down in 14.2 will be followed. The level of CPA shall be decided on the basis of higher of original evaluated value of L-1 bidder (B-1 bidder in case of QCBS tenders) before negotiations or tender value.

34.6 Signing of POs / contracts

(MM/04/2015 dated 28.04.2015)

(MM/112/2023 dated 30.11.2023)

Powers for signing of POs/contracts shall be as per BDP.

Note:

The signing powers as above will be exercised subject to authorized signatory satisfying himself of the following conditions:

- a. Proper expenditure sanction for the procurement exists.
- b. The purchase has approval of competent purchase authority
- c. Agreement /Contract is placed on standardized/approved terms and conditions
- d. In case a tender results in multiple Orders/ Contracts, signing powers will be decided based on the sum total of all the individual orders/ Contracts

34.7 Exercising of powers of materials management discipline by officers designated in the discipline of mechanical / electrical / civil etc

Officers designated in the discipline of Mechanical / Electrical / Civil etc. but posted in Materials Management discipline may exercise powers of officers of Materials Management discipline provided such officers are posted with prior approval of Director I/C MM.

34.8 Observance of laid down procedure

34.8.1 The purchase powers are exercisable only if the purchase is effected subject to the observance of normal procedure for open / limited tenders.

34.8.2 If in any case it is considered desirable to invite tenders from a few selected firms, the prescribed procedure will be followed

34.9 Relaxation in conditions of tenders

34.9.1 All contracts should normally be entered into on the standard form prescribed for making purchases for the ONGC except where existing clauses are to be modified or special clauses added for compliance by the suppliers

(MM/10/2016 dated 23.03.2016)

34.9.2 In case of purchases of Proprietary items, procurement of materials/hiring of services from OEM /OES, the concerned Level-I will be empowered to relax standard terms and conditions of tenders/ POs / contracts provided the OEM / OES/ manufacturer of proprietary items does not accept such terms and conditions. It must be ensured that the items are consumed within one year from the date of receipt.

(MM/112/2023 dated 30.11.2023)

34.9.3 Relaxation in standard terms & conditions in tender documents for procurement of goods and hiring of services in case of hi-tech areas like deep water, sub-sea completion, HPHT services, shall be approved by **concerned L-1** in all cases irrespective value of the cases. Such relaxation shall be granted based on the issues raised by prospective bidders during pre-bid conference and during evaluation of bids.

34.9.4 Corporate Tax(Applicable in tax protected contracts): In exceptional cases where Directs tax(es) arising under the contracts are to borne by ONGC ,contracts such nature should be entered into with the approval of Director concerned & Director(Finance).

34.10 PERIOD WITHIN WHICH INDENTS ARE TO BE PROCESSED

The maximum time limits for various activities under different categories of tenders are prescribed in the schedules, as per details below:

Annexure A	Tender processing time applicable for Open Tenders
Annexure B	Tender processing time applicable for Limited Tenders

As far as possible, all tenders should be processed within time norms prescribed for the respective category of tender.

Annexure-A

Tender processing time applicable for Open Tenders

(MM/48/2019 dated 07.02.2019)

(MM/112/2023 dated 30.11.2023)

Sl. No.	Activity	Time schedule in number of days	
		MCoDP Cases	Non MCoDP Cases
A	Purchase Requisition to NIT / RFX publication		
1	Receipt of Purchase Requisition by MM, complete in all respects	0	0
2	Scrutiny of Purchase Requisition	5	5
3	Approval of BEC (Holding TC and approval thereof)	8	8
4	Publication of NIT/RFX (including uploading of NIT on website)	<u>2</u>	<u>2</u>
	(Total days for phase-A)	<u>(15)</u>	<u>(15)</u>
B	NIT / RFX publication to Techno-commercial bid opening(TBO)		
1	Tender downloading Period	Upto bid closing	
2	NIT /RFX publication to Receipt of queries from vendors for pre-bid conference	<u>7*</u>	<u>7*</u>
3	Scrutinizing the queries and holding pre bid conference	<u>5</u>	<u>5</u>
4	Approval of Minutes of Pre-bid conference, issuance of minutes and amendments, if any	<u>7</u>	<u>7</u>
5	Submission of offers (i.e. Opening of Techno-commercial bid)	<u>21</u>	<u>21</u>
	(Total days for phase-B)	<u>(40)</u>	<u>(40)</u>
*If additional time for bidders to submit queries for pre-bid conference is needed in any case, the same can be allowed with approval of L-1 level Executive.			
C	Techno-commercial bid opening to placement of LOA/NOA		

Sl. No.	Activity	Time schedule in number of days			
		MCoDP Cases		Non MCoDP Cases	
1	(a) Preparation of techno-commercial CS	4	<u>7</u> (1 & 2 to be carried out concurrently)	4	<u>7</u> (1 & 2 to be carried out concurrently)
	(b) Vetting of CS	<u>3</u>		<u>3</u>	
2	(a) Forwarding the offers for technical comments	0		0	
	(b) Technical Comments	7		7	
3	TC for evaluation (Holding TC and signing minutes)	8		8	
4	Approval of TC minutes	<u>2</u>		<u>2</u>	
5	Opening of price bids	<u>2</u>		<u>2</u>	
6	Preparation of CS for price bids	<u>2</u>		<u>2</u>	
7	Vetting of CS for price bids	<u>2</u>		<u>2</u>	
8	TC for finalization of tender (Holding TC and signing minutes)	5		5	
9	Approval for award of contract	<u>10</u>		<u>2</u>	
10	Award of LOA / NOA	1		1	
	(Total days for phase-C)	<u>(39)</u>		<u>(31)</u>	
Total Tender processing time (A+B+C)		94		86	

Notes:

- (i) In case any activity is completed before specified time, next activity should be commenced immediately.
- (ii) Wherever pre-bid conference is not held / required, allotted time for the activities related to pre-bid conference shall be excluded and the time for submission of offers shall be 21 days from the date of publication of NIT/ RFX.
- (iii) In LSTK contracts, an additional time of 30 days for “Process Platforms” and 15 days for all other LSTK projects including “Well Platforms” and “Pipe Lines” shall be applicable for the activities between B3 & B4.
- (iv) If seeking clarifications becomes necessary (applicable for all types of tenders), an additional time of 15 days shall be allocated for first round of clarifications (to cover the time required for obtaining clarifications, scrutiny of clarifications, holding TC and

approval thereof etc.). However, the time for scrutiny, holding TC, approval etc. should be curtailed to the barest minimum possible.

For second round clarification, wherever applicable, additional time of 15 days shall be allocated.

(MM/12/2023 dated 30.11.2023)

(v) Wherever approval of MCoDP (other than for activity indicated at C.9 above) is required, an additional time of 10 days would be applicable.

(vi) In case of LSTK, additional time as per para 13.1.2 shall be applicable for the activity C2(b).

(vii) RFX scheduled start date for participation (RFX Start Date) shall be considered as the date of publication of NIT/RFX for the purpose of counting of days in respect of e-tenders.

Annexure-B**Tender processing time applicable for Limited Tenders**

(MM/48/2019 dated 07.02.2019)

(MM/112/2023 dated 30.11.2023)

Sl. No.	Activity	Time schedule in number of days	
		MCoDP Cases	Non MCoDP Cases
A	Purchase Requisition to Issue of tender enquiries /<u>Authorizing selected/shortlisted bidders on e-tender portal</u>		
1	Receipt of Purchase Requisition by MM, complete in all respects	0	0
2	Scrutiny of Purchase Requisition	5	5
3	Approval of BEC / PQC (For holding TC and approval thereof)	8	8
4	Issue of tender enquiries/ <u>Authorizing selected/shortlisted bidders on e-tender portal</u> (and uploading on website for cases above Rs. 10 lakhs)	<u>2</u>	<u>2</u>
	(Total days for phase-A)	<u>(15)</u>	<u>(15)</u>
B	Issue of tender enquiries to Techno-commercial bid opening (TBO)		
1	Receiving requests for tender enquiries from vendors whose name not included in original list	10	10
2	Verification of such request by indenter and issue of tender enquiries to eligible bidders / <u>authorizing eligible bidders on e-tender portal</u> (including the time required for receiving same by the bidder)	<u>5</u>	<u>5</u>
3	Receipt of queries from vendors for pre-bid conference	<u>5</u>	<u>5</u>
4	Scrutinizing the queries and holding pre bid conference	<u>5</u>	<u>5</u>
5	Approval of Minutes of Pre-bid conference, issuance of minutes	<u>7</u>	<u>7</u>

Sl. No.	Activity	Time schedule in number of days	
		MCoDP Cases	Non MCoDP Cases
6	Submission of offers (i.e. Opening of Techno-commercial bid in two bid system / bid opening in single bid system)	<u>15</u>	<u>15</u>
	(Total days for phase-B)	<u>(47)</u>	<u>(47)</u>

Sl. No.	Activity	Time schedule in number of days			
		MCoDP Cases		Non MCoDP Cases	
C	Techno-commercial bid opening (TBO) to LOA/NOA				
1	(a) Preparation of techno-commercial CS	4	<u>7</u> (1 & 2 to be carried out concurrently)	4	<u>7</u> (1 & 2 to be carried out concurrently)
	(b) Vetting of CS.	<u>3</u>		<u>3</u>	
2	(a) Forwarding the offers for technical comments	0		0	
	(b) Technical Comments	7		7	
3	TC for evaluation (Holding TC and signing minutes)	8		8	
4	Approval of TC minutes	<u>2</u>		<u>2</u>	
5	Opening of price bids (in two bid system)	<u>2</u>		<u>2</u>	
6	Preparation of CS for price bids (in two bid system)	<u>2</u>		<u>2</u>	
7	Vetting of CS for price bids (in two bid system)	<u>2</u>		<u>2</u>	
8	TC for finalization of <u>case</u> (in two bid system) (Holding TC and signing minutes)	5		5	
9	Approval for award of contract.	<u>10</u>		<u>2</u>	

Sl. No.	Activity	Time schedule in number of days	
		MCoDP Cases	Non MCoDP Cases
10	Award of LOA / NOA	1	1
	(Total days for phase-C)	<u>(39)</u>	<u>(31)</u>
Total Tender processing time (A+B+C)		<u>101</u>	<u>93</u>

Notes:

- (i) In case any activity is completed before specified time, next activity should be commenced immediately.
- (ii) Wherever pre-bid conference is not held / required, allotted time for the activities related to pre-bid conference shall be excluded and the time for submission of offers shall be 30 days from the date of publication of NIT/RFx.
- (iii) In LSTK contracts, an additional time of 30 days for “Process Platforms” and 15 days for all other LSTK projects including “Well Platforms” and “Pipe Lines” shall be applicable for the activities between B3 & B4.
- (iv) If seeking clarifications becomes necessary (applicable for all types of tenders), an additional time of 15 days shall be allocated for first round of clarifications (to cover the time required for obtaining clarifications, scrutiny of clarifications, holding TC and approval thereof etc.). However, the time for scrutiny, holding TC, approval etc. should be curtailed to the barest minimum possible.

For second round clarification, wherever applicable, additional time of 15 days shall be allocated.

(MM/112/2023 dated 30.11.2023)

- (v) Wherever approval of MCoDP (other than for activity indicated at C.9 above) is required, an additional time of 10 days would be applicable.
- (vi) Norms for the activities indicated at B-(1) and B(2) shall be applicable only for the cases where Limited tenders have been invited as against Open tenders as per para 8.2.6
- (vii) In case of LSTK, additional time as per para 13.1.2 shall be applicable for the activity C2(b).

(viii) RFx scheduled start date for participation (RFx Start Date) shall be considered as the date of publication of NIT/RFx for the purpose of counting of days in respect of e-tenders.

ANNEXURE “C”**OIL & NATURAL GAS CORPORATION
PROPOSAL PROFORMA FOR CONDEMNATION OF VEHICLES
CRANES, TRACTORS AND OTHER TRANSPORT EQUIPMENTS****PROJECT/OFFICE****PART –A****(TO BE FILLED IN BY TRANSPORT SECTION OF PROJECT/OFFICE CONCERNED)**

1. Make & type of vehicle _____
2. Registration No. _____
3. Engine No. _____
4. Chassis No. _____
5. Date of commissioning _____
6. Total Kms/Hrs. run _____
7. Capital cost _____
8. Book value _____
9. Census No. _____
10. Whether on road/off road
(indicate date of off road) _____
1. Has the vehicle met with
an accident? If yes, inquiry
report to be enclosed. _____

T.O./Sr. TPT Officer/Manager(TPT)

**PART – B
TECHNICAL REPORT
(TO BE FILLED IN BY AUTO ENGR./INCHARGE OF REPAIRS)**

Sl. No.	Major Assembly	Condition	Estimated cost of repairs (Rs.)
1.	Engine		
2.	Chassis frame		
3.	Front Axle		
4.	Rear Axle		
5.	Transmission		
6.	Body and cabin		
7.	Suspension		
8.	Electrical system		
9.	Brakes		
10.	Steering system		
11.	Auxillary gear box (if fitted)		
12.	Under carriage (in case of Tractor)		
13.	Other misc. items		

14.	Crane portion (applicable for cranes) (a) Engine (No. of overhauls done) (b) Boom (c) Operator's cabin/body (d) Generator/Motor (e) Hydraulic system (f) Other misc.		
15.	General Condition of vehicle/ equipment		
16.	Total estimated cost of repairs		

Dy. SE(Auto)/EE(Auto)

Appendix 1 High Sea Sales Agreement

(On Non judicial Stamp paper of appropriate value)

Agreement No. _____

Dated: _____

Subject:

This agreement between _____ having its registered office at _____ (hereinafter referred to as "Seller") on ONE PART

And

Oil and Natural Gas Corporation Limited, having its registered at 124, Connaught Circus, Jeevan Bharti Building, Tower-II, New Delhi (hereinafter referred to as "Buyer") on the OTHER PART.

Whereas the Seller has made an offer to the Buyer for sale of _____, vide quotation No. _____ dated _____

Whereas, the Buyer has accepted the above mentioned offer of the Seller and accordingly placed purchase order No. _____ dated _____ .

Whereas the Seller in his above mentioned quotation has offered to sell the goods to the Buyer on 'High Sea Sales' basis and the Buyer has accepted the terms of High Sea Sales.

Now this agreement witnessed as follows:

1. Name and Address of Buyer : ONGC
Address of the work centre.
2. Description of Goods.
3. Quantity.
4. Name of foreign Supplier / Source of Supply
5. Name of freight forwarder / Ship / Vessel / flight
6. Bill of lading No. and date / Master AWB No. / House AWB No. and date.
7. Port / Airport of Despatch
8. Consideration/ Payment to Indian Supplier.
9. Invoice No. and date
10. Consignee Port

11. Country of origin

12. Customs duty (To be paid by the buyer directly to Customs Authority wherever applicable, otherwise Nil against EC for the material meant for PEL/ML areas)

13. Taxes / Govt. levies: No Sales Tax shall be charged or levied as the goods are being sold and delivered to the buyer on High Sea Sales basis. This sale is considered to have been completed on handing over of the endorsed Bill of lading /AWB and the invoice and material accepted by ONGC. Title of the goods stands transferred to the buyer on handing over of the BL / AWB and invoice duly endorsed in favour of the buyer when the goods are on High Sea.

14. Insurance: Seller to submit Marine Transit Insurance policy with due endorsement in favour of ONGC at the time of sale, along with transfer of rights of subrogation in favour of ONGC.

15. Clearance of goods: The sale being a high sea sale, the buyer would make his own arrangement for Custom clearance at Consignee Port/ Airport. Customs handling and clearance charges will be to the account of buyer.

16. Payment: As per PO No. _____

17. The Buyer undertakes to forward the Exchange control copy of the Bill of entry, under which they would clear the goods, to the seller after getting the same duly authenticated by the Customs Authorities.

18. IEC Code of the buyer is _____.

Above mentioned Parties entered into a contract on High Sea Sales basis for the goods specified above subject to terms and Conditions mentioned above and herein under:

1. On the basis of PO placed by Buyer for the goods specified herein on the seller, the Seller has placed Order No. _____ dated _____ on M/s _____ (Name of Foreign supplier) which is sea freighted / air freighted as per schedule furnished above. The seller has agreed to the sale and the Buyer has agreed to purchase the Consignment on High Sea Sales Basis for the amount specified above.

2. Based on the PO No. _____ dated _____ (ONGC order No. and date), the payment terms committed by the buyer, the seller hereby transfers the title of the goods to the Buyer through this contract.

3. Customs duties, Port charges, Insurance, demurrage , wharfage and other incidentals etc. shall be as per clause _____ of the PO No. _____ dated _____ (ONGC order No. and date).

4. All other Taxes and applicable duties shall be as per PO No. _____ dated _____ (ONGC order No. and date).

5. High Sea Sales shall be subject to Force majeure.

6. The Buyer undertakes to forward the Exchange control copy of the Bill of entry, under which they would clear the goods, to the seller after getting the same duly authenticated by the Customs Authorities.

7. Any amendment and supplements to this contract are valid only if they are agreed to by both the parties in writing and signed by the authorised representatives of both the parties.

8. The High Sea Sales contract signed by both the parties to this contract would be irrevocable until all such acts as specified herein have been completed.

IN WITNESS WHEREOF the Seller and the buyer hereto have set their respective hands on the date mentioned above.

SELLER : Name of the Indian Supplier.

BUYER : ONGC

For the Buyer.

For the Seller.

Witness.

Witness.

Appendix 2

(MM/26/2017 dated 21.06.2017)

- Deleted -

**Appendix 3 TERMS & CONDITIONS OF TENDER FOR PURCHASES UPTO
Rs.10.00 LAKHS**

OIL & NATURAL GAS CORPORATION LTD.

Office of.....

.....

Visiting hours.....

Phone No.....

No.

Dated.

Purchase Order
(Subject to jurisdiction.....)

To

Dear Sirs,

With reference to your quotation No.....
dated..... please supply the under mentioned goods subject to the terms
and conditions indicated below and also terms and conditions enclosed at Annexure
'A':-

Sl. No .	Material Code	Part No.	Description	Uni t	Qt y.	Rat e	Amount

- i.) Packing & Forwarding Charges :
- ii.) Taxes :
- iii.) Terms & Delivery :
- iv.) Consignee :

- v.) Date of delivery :
- vi.) Place of delivery :
- vii.) Dispatch instructions :
- viii.) Inspection to be carried by :
- ix.) Place at which to be tendered
for inspection :
- x.) Bill to be made in the name of :
- xi.) Payment through Bill in triplicate :
 - (a) By the :
 - (b) During the year :
- xii.) Purchase order code :
- xiii.) Vendor Code :
- xiv.) Insurance :
- XV.) Mode of transport :

On receipt of the purchase order, the seller should confirm within 15 days of issue of the Purchase Order that he is arranging to supply the material within the stipulated delivery. If not, ONGC may cancel the contract.

(PURCHASE OFFICER)

Copy to:-

1. Consignee
2. Finance and Accounts Officer - 2 copies.
3. Indentor.
4. Inspection Deptt.
5. Office copy.

ANNEXURE 'A'

TERMS & CONDITIONS OF PURCHASE ORDER FOR PURCHASES UPTO Rs.10.00 LAKHS

1. WARRANTIES AND GUARANTEES

1.1 MATERIALS AND WORKMANSHIP

Supplier shall fully warrant that the stores, equipment and component supplied under the order shall be new and of first quality according to the specifications and shall be free from defects (even concealed fault, deficiency in design, Materials and Workmanship).

- 1.2 Should any defects be noticed in design, material and/or workmanship within 12 months after the goods or any portion thereof as the case may be have been delivered (and commissioned) to the final destination indicated in the contract or for 18 months after the date of dispatch whichever period conclude earlier unless specified otherwise in the condition of contract. ONGC shall inform supplier and supplier shall immediately on receipt of such intimation, depute their personnel within 14 days to investigate the causes of defects and arrange rectification/replacement/modification of the defective equipment at site, without any cost to ONGC within a reasonable period. If the supplier fails to take proper corrective action to repair/replace defects satisfactorily within a reasonable period, ONGC shall be free to take such corrective action as may be deemed necessary at supplier's risk and cost after giving notice to the supplier.
- 1.3 Damage to the machinery and/or replacement due to incomplete and erroneous instructions issued by supplier will be the responsibility of the supplier and will be treated according to the provisions of warranty clause. Normal wear and tear shall not come under purview of this clause.
- 1.4 In case defects are of such nature that equipment shall have to be taken to supplier's work for rectification etc. supplier shall take the equipment at his cost after giving necessary undertaking or security as may be required by ONGC. ONGC shall if so require by the supplier, dispatch the equipment by quickest mode on freight to pay basis to the supplier's work. After supplier shall deliver the equipment at site on freight pre-paid basis. All risks in transit to and fro shall be borne by the supplier.
- 1.5 Equipment or spare parts thereof replaced shall have further warranty for a period of 12 months from the date of acceptance.
- 1.6 If the repairs, replacement or modifications referred are of such nature as may affect the efficiency of the equipment ONGC shall have the right to give to the supplier within one month of such replacement/renewal, notice in writing to carry out test as may be required for acceptance of the equipment.

2. REJECTION

- 2.1 If ONGC finds that the goods supplied are not in accordance with the specifications and other conditions stated in the order or its sample are received in damaged condition (of which matter ONGC will be the sole judge), ONGC shall be entitled to reject the whole of the goods or the part as the case may be and intimate to the supplier the rejection without prejudice to the ONGC other rights and remedies to recover from the supplier any loss which ONGC may be put to, also reserving its right to forfeit the security deposit/performance bond if any made for the due fulfillment of the contract. The goods shall be removed by the supplier and if not removed within 14 days of the date of communication of the rejection ONGC will be entitled to dispose of the same on account and at the risk of the supplier and after recovering the storage charges at the rate of 5% of the value of goods for each month or part of a month and the loss and expenses if any caused to the ONGC, pay balance to the supplier.

3. REPLACEMENT

- 3.1 Rejected goods should be removed and replaced within 14 days of the date of communication of rejection.

4. SUB-LETTING AND ASSIGNMENT:

- 4.1 The contractor shall not save with the previous consent in writing of the Purchase Authority, sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever. Provided nevertheless that any such consent shall not relieve the contractor from any obligation, duty or responsibility under the contract.

5. BREAKAGE/SHORTAGE

- 5.1 Claim in respect of breakage/shortages in any case shall be preferred on the supplier within thirty days from the date of receipt of stores by the consignee which shall be replaced/made good by the supplier at his own cost. All risk of loss or damage to the material shall be upon the supplier till it is delivered to the purchaser/consignee.

6. SECURITY DEPOSIT / PERFORMANCE BOND / CONTRACT SECURITY

(MM/50/2019 dated 04.07.2019)
(MM/107/2023 dated 30.10.2023)
(MM/110/2023 dated 01.11.2023)

- 6.1 For purchases exceeding Rs. 1.00 lakh, the successful bidder, within 15 days of receipt of order/ letter of award, will be required to send Security deposit in the form of a NEFT/RTGS/Electronic fund transfer to designated account of ONGC or in lieu thereof, Performance Bond in the form of an **Electronic Bank Guarantee** as per ONGC's Standard Proforma, for an amount equivalent to

10% of the contract value. However, the condition will not be applicable for procurement of materials of proprietary nature from Original Equipment Manufacturers or Distributors / Sole Selling Agents / Authorized Dealers of the Original Equipment Manufacturer.

7. **CANCELLATION OF PURCHASE ORDER** (applicable for purchases up to Rs. 1 lakh):

- 7.1 Time and date of delivery shall be the essence of the contract. If the contractor/supplier fails to deliver the stores, or any installment thereof within the period fixed for such delivery in the schedule or any time repudiates the contract before the expiry of such period, the purchaser may, without prejudice to any other right or remedy available to him, to cancel the contract/PO or a portion thereof by serving prior notice to the contractor/supplier

8. **FAILURE AND TERMINATION CLAUSE/LIQUIDATED DAMAGES CLAUSE** (applicable for purchases above Rs. 1 lakh):

- 8.1 Time and date of delivery shall be the essence of the contract. If the contractor/supplier fails to deliver the stores, or any instalment thereof within the period fixed for such delivery in the schedule or any time repudiates the contract before the expiry of such period, the purchaser may, without prejudice to any other right or remedy, available to him to recover damages for breach of the contract:

(MM/10/2016 dated 23.03.2016)

(a) Recover from the Contractor/Supplier as agreed liquidated damages and not by way of penalty, a sum equivalent to to ½% (Half percent) of the contract/supply order price of the whole unit per week for such delay or part thereof (this is an agreed, genuine pre-estimate of damages duly agreed by the parties) which the contractor has failed to deliver within the period fixed for delivery in the schedule, where delivery thereof is accepted after expiry of the aforesaid period. It may be noted that such recovery of liquidated damages may be up to a ceiling of 10% of the contract/PO price of the whole unit of stores which the contractor/supplier has failed to deliver within the period fixed for delivery; or

(b) Cancel the contract/PO or a portion thereof by serving prior notice to the contractor/supplier.

(MM/10/2016 dated 23.03.2016)

(c) It may further be noted that clause(a) above provides for recovery of liquidated damages on the cost of contract/supply order price of delayed supplies(whole unit) at the rate of ½%(Half per cent) of the contract/PO price of the whole unit per week for such delay or part thereof up to a ceiling of 10% of the contract/PO price of delayed supplies (whole unit). Liquidated damages for delay in supplies thus accrued will be recovered by the paying authorities of the purchaser

specified in the PO, from the bill for payment of the cost of the materials submitted by the contractor/supplier or his foreign principals in accordance with the terms of PO/contract or otherwise.

(d) Notwithstanding anything stated above, equipment and materials will be deemed to have been delivered only when all its components and parts are also delivered. If certain components are not delivered in time the equipment and material will be considered as delayed until such time all the missing parts are also delivered.

- 8.2. **Levy of liquidated damages(LD) due to delay in supplies :** LD will be imposed on lot wise, item wise and consignee wise unless 75% of the value ordered lot wise, item wise and consignee wise is supplied within the stipulated delivery period. Where 75% of the value ordered has been supplied within stipulated delivery period, LD will be imposed on the order value of delayed supply(ies) lot wise, item wise, consignee wise. However, where in judgement of ONGC, the supply of partial quantity does not fulfil the operating need, LD will be imposed on full value of the PO.

Note: For service contracts value upto Rs. 10.00 lacs the above contract can be modified based on the nature of service. Standard terms & conditions of the service contracts can be adopted suitably.

(MM/43/2018 dated 19.11.2018) ~~(MM/49/2019 dated 11.06.2019)~~
(MM/65/2021 dated 06.04.2021) (Circular No. 05/2022 dated 25.01.2022)
(MM/66/2021 dated 23.07.2021)

MM/65/2021 dated 06.04.2021

- 8.3 Conditions applicable if the offer is from a Micro or Small Enterprises (MSE) possessing valid Udyam Registration Certificate as notified vide Gazette notification no. S.O. 2119(E) dated 26.06.2020(as amended) issued by Ministry of Micro, Small and Medium Enterprises.

(i) if bidder is a Micro or Small Enterprises (MSE), it shall submit copy of valid Udyam Registration Certificate as notified vide Gazette notification no. S.O. 2119(E) dated 26.06.2020(as amended) issued by Ministry of Micro, Small and Medium Enterprises for exemption from furnishing bid security / earnest money deposit and to be eligible for other benefits as per PPP for MSEs order,2012 subject to following conditions:

a. Bidder is participating in tender as manufacturer of the quoted item and not as a trader/dealer.

In case bidding MSE is owned by Schedule Caste or Schedule Tribe entrepreneur or owned by Women, valid documentary evidence issued by the agency who has registered the bidder as MSE owned by SC/ST or Women entrepreneur should also be enclosed.

(ii) In case participating MSEs quote price within price band of L1+15%, such MSE shall be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a

MSE and such MSE shall be allowed to supply upto 25% of total tendered value.

A sub –targets of 4% within 25% has been earmarked for procurement from MSEs owned by the SC or ST entrepreneurs and 3% from within 25% has been earmarked for supply from the MSEs owned by Women entrepreneurs. Provided that, in event of failure of such MSEs to participate in tender process or meet tender requirement and L-1 price, 4% /3% sub-target for procurement earmarked for MSEs owned by SC or ST entrepreneurs and women entrepreneurs respectively shall be met from other MSEs.

(iii) In case of more than one bidder eligible for purchase preference, then the eligible MSE(s) shall be allowed to share portion of supply in the following manner:

(a) In case of more than one such MSE bidder qualifying for 15% purchase preference, the 25% supply shall be shared equally amongst such MSEs.

(b) In case 25% quantity cannot be further divided, ONGC shall place the order for supply of 25% quantity to lowest eligible MSE amongst the MSEs qualifying for 15% Purchase Preference.

(iv) In the opinion of ONGC, if tendered goods/services cannot be divided in the ratio of 75% / 25%, then ONGC reserves the right to award on lowest eligible MSEs for quantity not less than 25% quantity, as may be dividable.

For example:

In case tendered quantity is between 1 to 3 (not divisible in the ratio of 75:25), MSE shall get order for 1 no. only and the rest will go to L-1 (non-MSE bidder). Same analogy shall be applied for quantities which are not dividable in the exact ratio of 75:25.

Notes:

(i) In case of any other preferential policy applicable in a tender, distribution of quantities for supply of goods/services among eligible bidders shall be done in such a manner that eligible bidders get the share of minimum specified percentage for supply by them.

(ii) In case tendered items cannot be procured from multiple sources or are absolutely non splitable or non-dividable, PO/Contract shall be placed for supply of 100% quantity to lowest eligible bidder, if any, amongst the bidders qualifying for purchase preference.

Appendix 4 Form for extension of completion date, required due to entire delay being solely on account of contractor/supplier

OIL & NATURAL GAS CORPORATION LTD

No.

Date

Sub: Work/Contract No. _____ dated _____ for

Ref: Your letter No. _____ dated _____

Dear Sirs,

1. You failed to complete the entire work within the contract completion period. In your letter under reference, you have asked for extension of time for completion. In view of the circumstances stated in your above referred letter, the time for completion is extended from _____ to _____. Please note that an amount equal to the liquidated damages for delay in the completion of work after the expiry of the contract completion period shall be recovered from you as mentioned in clause _____ for the extended period, notwithstanding the grant of this extension.
2. The above extension of completion date shall also be subject to the following further conditions:
 - a) that no increase in price on account of any statutory increase in or fresh imposition of Customs Duty, Excise Duty, sales Tax or on account of any other tax or duty leviable in respect of the materials specified in the said work order which takes place after _____ shall be admissible on such of the said works as are completed after the said date; and
 - b) that notwithstanding any stipulation in the contract for increase in price on any other ground, no such increase which takes place after _____ shall be admissible on such works as are completed after the said date;
 - c) but, nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of Customs Duty, Excise Duty, Sales Tax or on account of any other tax or duty, which takes place after the expiry _____ of the above mentioned date namely _____.

Yours Sincerely

Appendix 5 Form for extension of completion date, where delay, in part, is on account of ONGC

OIL & NATURAL GAS CORPORATION LTD

No.

Date

Sub: Work/Contract No. _____ dated _____ for

Ref: Your letter No. _____ dated _____

Dear Sirs,

1. You failed to complete the entire work within the contract completion period. In your letter under reference, you have asked for extension of time for completion. In view of the circumstances stated in your above referred letter, the time for completion is extended from _____ to _____, reserving our right to levy liquidated damages from you for delay in the completion of work after the expiry of the contract completion period as mentioned in clause _____ for the extended period, notwithstanding the grant of this extension.
2. The above extension of completion date shall also be subject to the right of ONGC to claim a reduction in prices on account of reduction in statutory duties / taxes etc. which may take place during the extended period of completion. However, increase in prices during extended completion period on account of increase in statutory duties/taxes etc. admissible under Change in Law clause of this work order/contract shall be granted, only if extension is due to delay on the part of ONGC .

Yours Sincerely

Appendix 6 Details of contracts/purchase orders

Details of contracts/purchase orders awarded during the Month_____

1	2	3	4	5	6	7	8	9	10	11	12	13
Tender No.	Item / Nature of work	Mode of Tender Enquiry	Date of Publication of Invitation to Bid in web site	Type of Bidding (Single/Two Bid system)	Last date of receipt of tenders	Nos of tenders received	Nos and names of bidders not qualified for price evaluation	Nos and names of bidders qualified for price evaluation	Whether contract awarded to lowest tenderer/ Evaluated L1	Contract No. & date	Name of contractor and place	Value of contract (in Indian Rs.)
(a) Purchase of Capital items												
(b) Purchase of Stores items												
(c) Purchase of Spares												
(d) Charter Hire/Rate Contracts												
(e) Turnkey contracts												
(f) Other contracts (including civil and electrical works etc.)												

Appendix 7 Details of contracts executed/completed

(a) Details of contracts executed/completed during the Month_____

1	2	3	4	5	6	7	8	9	10
Tender No.	Item / Nature of work	Contract No. & date	Name of contractor and place	Value of Contract (in Indian Rs.)	Scheduled date of start of work	Scheduled date of completion of work	Actual date of start of work	Actual date of completion	Reasons for delay if any
(a) Charter Hire / Rate Contracts									
(b) Turnkey contracts									
(c) Other contracts (including civil and electrical works etc.)									

(b) Details of Purchase orders executed/completed during the Month_____

1	2	3	4	5	6	7	8
Tender No.	Item/Nature of work	Contract No.& date	Name of contractor and place	Value of contract (in Indian Rs.)	Scheduled date of completion of supplies	Actual date of completion of supplies	Reasons for delay if any
(a) Purchase of Capital items							
(b) Purchase of Stores items							
(c) Purchase of Spares							

Appendix 8 Details of nomination cases

(MM/51/2019 dated 17.10.2019)

Quarterly Report

Period:

Sub: Details of all works including purchases, Services and sales, and above, awarded on Nomination basis

Sl. No	Details of purchase Order/Contract(s) awarded on nomination Basis			Whether contractor is a PSU (indicate YES/NO)	Type of Services	Details of Approving Authority (As per BDP)	Date appraisal Director/ MCoDP applicable	of to as	Detailed Reasons with full justifications for processing the Nomination case	Whether the contract has been concluded based on the ongoing contract with same rates, terms & conditions (YES/NO)	Delay analysis w.r.t. processing of the regular tender(s) (Applicable wherever the nomination case was awarded due to delay in finalization of the regular tender)
	Purchase Order/ contract No & Date	Name of Contractor	Value (Rs. In Lac.)								
01	02	03	04	05	06	07	08	09	10	11	

Signature:

Name of Key Executive:

Designation:

Assignment:

(MM/62/2020 dated 02.12.2020)

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

A. General Information:

Sl. No.	Parameters	Allocation of Marks		Weightage Factor	Marks
1	Experience of Bit Manufacturer (Minimum Required experience – 5 Five Years) <u>Maximum experience 20 years)</u> <u>Both TCR and PDC and others</u>	<u>Bidder with 20 Years’ experience</u>	100	0.05	
		Others	Percentage to the highest		
2.	Sales volume of Bits for the last three years	Highest among the bidders	100	0.10	
		Others	Percentage to the highest		
3.	Expenditure on R&D for the last three years	Highest among the bidders	100	0.05	
		Others	Percentage to the highest		
Total (A) (For 1 to 3 above)				0.20	

B. Bit Specific Information

(For both TCR & PDC)

B.1 For 17-1/2" Bit

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
4.1	No. of Bits used for deep formation	Depth in 2000 M & above.	Highest among the bidders	100	0.20	

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	drilling (Last three years)		Others	Percentage to the highest		
4.2	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	
			Others	Percentage to the highest		
4.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
		Onshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
4.4	Performance of bits (Last three years)					
	Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
	Best Five bits depth	Total Meterage	Highest among	100	0.08	

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	in 4000 M to 4999 M		the bidders			
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.08	
			Others	Percentage to the highest		
	Best Five bits depth in above 5000 M	DELETED				
Total (B.1) (For 17-1/2” Bits)					0.80	

B. 2 For 12-1/4" Bit

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
5.1	No. of Bits used for deep formation drilling (Last three years)	Depth in 2000 M to 4000 M.	Highest among the bidders	100	0.15	
			Others	Percentage to the highest		
		Depth in 4000 M & above.	Highest among the bidders	100	0.15	
			Others	Percentage to the highest		
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.BP 3.Exxon Mobil 4. <u>Total</u> 5.Cheveron 6. <u>Conoco Phillips</u> 7. <u>Saudi Aramco</u> 8.Petrobras 9.Statoil		Others	Percentage to the highest		

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	10. <u>Petronas</u>					
5.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
		Onshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
5.4	Performance of bits (Last three years)					
	Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
	Best Five bits depth in 4000 M to 4999 M	Total Meterage	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
	Best Five bits depth in above 5000 M	Total Meterage	Highest among the bidders	100	0.07	

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
			Others	Percentage to the highest	0.07	
		Average ROP	Highest among the bidders	100		
		Others	Percentage to the highest			
Total (B.2) (For 12-1/4” Bits)					0.80	

B. 3 For 8-1/2" Bit

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
6.1	No. of Bits used for deep formation drilling (Last three years)	Depth in 2000 M to 4000 M.	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
		Depth in 4000 M to 5000 M.	Highest among the bidders	100	0.10	
			Others	Percentage to the highest		
		Depth in 5000 M & above.	Highest among the bidders	100	0.13	
			Others	Percentage to the highest		
6.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies: 1.Shell 2.BP 3. Exxon Mobil 4. <u>Total</u> 5.Cheveron 6. <u>Conoco Phillips</u> 7. <u>Saudi Aramco</u> 8.Petrobras	Highest among the bidders	100	0.16		
		Others	Percentage to the highest			

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	9.Statoil 10. <u>Petronas</u>					
6.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
		Onshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
6.4	Performance of bits (Last three years)					
	Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
	Best Five bits depth in 4000 M to 4999 M	Total Meterage	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
	Best Five bits depth	Total Meterage	Highest among	100	0.07	

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	in above 5000 M		the bidders			
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
Total (B.3) (For 8-1/2” Bits)					0.80	

B. 4 For 6" Bit

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
7.1	No. of Bits used for deep formation drilling (Last three years)	Depth in 2000 M to 4000 M.	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
		Depth in 4000 M to 5000 M.	Highest among the bidders	100	0.10	
			Others	Percentage to the highest		
		Depth in 5000 M & above.	Highest among the bidders	100	0.13	
			Others	Percentage to the highest		
7.2	Supply of bits (Nos.) during last 3 years to below mentioned leading companies: 1.Shell 2.BP 3. Exxon Mobil 4. <u>Total</u> 5.Cheveron 6. <u>Conoco Phillips</u> 7. <u>Saudi Aramco</u> 8.Petrobras	Highest among the bidders	100	0.16		
		Others	Percentage to the highest			

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
	9.Statoil 10. <u>Petronas</u>					
7.3	Supply of bits to Indian Companies during last 3 years (Nos.)	Offshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
		Onshore	Highest among the bidders	100	0.02	
			Others	Percentage to the highest		
7.4	Performance of bits (Last three years)					
	Best Five bits depth in 2000 M to 3999 M	Total Meterage	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.03	
			Others	Percentage to the highest		
	Best Five bits depth in 4000 M to 4999 M	Total Meterage	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.05	
			Others	Percentage to the highest		
	Best Five bits depth in above 5000 M	Total Meterage	Highest among the bidders	100	0.07	

Sl. No.	Parameters		Allocation of Marks		Weightage Factor	Marks
			Others	Percentage to the highest		
		Average ROP	Highest among the bidders	100	0.07	
			Others	Percentage to the highest		
Total (B.4) (For 6" Bits)					0.80	

- C.1: For Ranking of Bit Manufacturers of 17-1/2" Bits**
Net Marks for 17-1/2": Marks in (A) + Marks in (B.1)
- C.2: For Ranking of Bit Manufacturers of 12-1/4" Bits**
Net Marks for 12-1/4": Marks in (A) + Marks in (B.2)
- C.3: For Ranking of Bit Manufacturers of 8-1/2" Bits**
Net Marks for 8-1/2": Marks in (A) + Marks in (B.3)
- C.4: For Ranking of Bit Manufacturers of 6" Bits**
Net Marks for 6": Marks in (A) + Marks in (B.4)

Appendix 10 Details and Documents to be submitted for evaluation of Bits under Procurement on Consignment basis

Parameters	Queries	Supporting Documents Required	Response from bidder	Supporting Documents enclosed
Experience	How long the company is in the business of bit manufacturing?	Annual report or any published document		
Sales Volume	Revenue from the bit sales for last three years?	-do-		
R&D	Expenditure on R&D for last three years	-do-		

(MM/62/2020 dated 02.12.2020)

Following information is to be provided for 17-1/2", 12-1/4", 8-1/2" and 6" Bits separately. The information required is for the last three years.

Bits	Sales Volume of Bits during last three years	Any published authentic document	Response from bidder	Supporting Documents enclosed
Bits used in deep drilling	No. of bits used for Deep Drilling	Last three years Bit record for 2000M and above depth		
	Depth 2000M – 3999M			
	Depth 4000M – 4999M			
	Depth above 5000M			
Multinational clients	No. of Premium bits supplied to following companies during last three years:- 1.Shell 2.BP 3. Exxon Mobil 4. <u>Total</u> 5.Cheveron 6. <u>Conoco Phillips</u> 7. <u>Saudi Aramco</u> 8.Petrobras 9.Statoil 10. <u>Petronas</u> .	Purchase reference, annual reports or any other authentic documents.		
Supplies in India	No. of bits supplied to Indian Companies	Purchase reference		

	during last three years for offshore			
	No. of bits supplied to Indian Companies during last three years for onshore	Purchase reference		
Performance of bits	Best five bit performances in last three years in depth range of 2000M-3999M	Bit Records		
	4000M-4999M	Bit Records		
	Above 5000M	Bit Records		

Appendix 11 Proforma of Undertaking

(MM/113/2023 dated 08.12.2023)

(To be submitted individually by each member of **Procurement Evaluation Committee**)

I (Name and designation of Procurement Evaluation Committee Member) do hereby undertake that:

- (i) I do not have any personal interest in the Companies/Agencies participating in the tender process against Tender No _____ for _____.
- (ii) None of the members of my family and / or my relatives (as per the list mentioned in Appendix-III of the “Code of Conduct for Board members and Senior Management Personal”) are proprietor/partner/Director or employee in the Companies /Agencies participating in the aforesaid tender.
- (iii) Further, neither myself, nor any member of my family and / or my relatives (as per the list mentioned in Appendix-III of the “Code of Conduct for Board members and Senior Management Personal”) hold more than 2% of the paid up share capital of Companies/Agencies participating in the aforesaid tender.

I further undertake that any change in the above status resulting in creation of personal interest during tender processing shall also be declared by me as and when it arises during tender processing.

I also declare that all the above information is correct to the best of my knowledge.

Signature :

Name :

Designation:

Appendix 12 Certificate by the **Procurement Evaluation Committee Member**

In respect of award of contract against tender no. _____ for-_____, the requisite certificates are hereby authorized by the **Procurement Evaluation Committee** Members as under:

Certified that all procedural aspects have been taken care of while formulating the Recommendations.

Certified that the prevailing CVC guidelines have been complied with at every stage of tender processing including the final recommendations for award of contract.

Signature of **PEC** Members

PEC Member Names

Designation

Appendix 13 Proforma For Invocation Of Bank Guarantee

Date:

The Branch Manager,*

Subject: Invocation of Bank Guarantee No. _____ dated _____ for Rs. _____ valid upto _____

Dear Sir,

Please refer to your Bank Guarantee(s) No. _____ dated _____ for Rs. _____ (_____) and its extension thereof (***) submitted by you in favour of Oil & Natural Gas Commission, (Please give full address _____) for and behalf of M/s _____ (hereinafter called the "Contractor") towards Contract No. _____ dated _____ awarded by ONGC to the Contractor as an advance Guarantee/ as Contract Performance Guarantee/ as Security Deposit/Earnest Money Deposit.(***)

In terms of the aforesaid Guarantee(s) we do hereby make a demand on you to remit a sum of Rs. _____ (_____) together with interest (***) to us immediately by means of Bank Demand Draft in favour of Oil & Natural Gas Commission payable at (Please indicate a place). This supersedes our conditional claim letter No. _____ dated _____. (***)

Kindly hand over the Bank Demand Draft to the bearer of this letter, whose signature are attested below. Your co-operation in the matter is solicited.

Kindly acknowledge receipt of this letter.

Please treat this matter as Most Urgent.

Thanking You,

Yours faithfully,
For and behalf of
Oil & Natural Gas Commission

Signature of

Shri

Attested

(AUTHORISED SIGNATORY)

*** Strike whichever is not applicable

*To be addressed to Branch of Bank issuing B.G.

CC: Bank's Head Office

(AUTHORISED SIGNATORY)

Appendix-14

(MM/26/2017 dated 21.06.2017)

- Deleted -

(MM/04/2015 dated 28.04.2015)

Appendix - 15

Format for preparation of CS

COMPARATIVE STATEMENT OF TENDERS

Indent No.....
Tender No.....
Estimated Value.....
Date of opening.....

Name of tender 1.....
opening officers 2.....
No. of tender sets issued.....
No. of tender sets received in time.....
No. of late tenders received.....
No. of tender intimations sent
in case of open tenders.....

Sl. No.	Description of articles	Unit	Qty. required	Price paid for the article on previous occasion	Name of Tenderers and Rates						Remarks
					M/s.....			M/s.....			
					Validity			Validity			
					F.O.B.	C.I.F.	F.O.R.	F.O.B.	C.I.F.	F.O.R.	

We certify that except above tenders no other tenders were received at.....hrs. on theand that no departure from the authorised course has occurred in the manner of receipt of above tenders.

Prepared by: Signature..... Checked by: Signature..... Vetted by:
Designation..... Designation..... Finance & Accounts Officer
Date..... Dated..... Date.....

a) The tender of Shri / Sarvashri..... (Sl. No.....) is recommended for acceptance.

b) Orders of the officer competent to accept the tender

The tender of Shri / Sarvashri.....(Sl. No.....) has been accepted by me on.....

(Signature of the recommending officer)

(Signature of the officer authorising acceptance)

Note: Any reason for accepting other than lowest tender and any remarks are to be stated here.

Sheet of important terms and conditions enclosed.

IMPORTANT TERMS AND CONDITIONS OF TENDER NO.

Name of the Tender

Rate of Exchange adopted
as ruling on date.....

Discount offered if any

Price variation sought in
respect of

Terms of delivery

Delivery period

Terms of payment

IAC included or extra

Any other special condition

Prepared by:
Date

Checked by:
Date

Vetted by:
Date

DEFINITION –‘WORKS’

Works

“Works” shall mean: any activity/group of activities/turnkey or otherwise such as construction works inclusive of civil, mechanical, electrical, C&M, operation, pipelines and oil field installations for Onshore & Offshore, repair & maintenance, materials and services, related to these installation/works undertaken to achieve the desired objectives of ONGC but not limited to:

Civil works

Related to roads, foundation & other works of Drill sites, Work-over rigs and all ancillary works connected with operational requirements. Residential/Non-residential buildings, RCC/Steel storage tanks, boundary walls, roads, estate/land development including horticulture, landscaping, plantations, interior works, customized furniture/furnishings etc. Estate repairing & maintenance and upkeep in field and plant areas / offices / townships etc. including water supply etc.

Electrical works

Sub-stations, power supply, external and internal cabling/Electrification, HVAC Repair & maintenance of electrical installations/facilities in field & plant areas/offices/townships etc. (through one time/annual maintenance contracts etc).

C&M works

Construction/installation of new pipelines for well fluid, gas lift, water injection, effluent etc., Collector / trunk pipe lines, cathodic protection, oil field facilities for production etc., Steel storage tanks, other field structures/facilities etc, erection of equipment, piping, and Repair and maintenance of above, including re-coating/painting etc.

Instrumentation and E&T works

Instrumentation works Oil field instrumentation, SCADA and tele-communication etc. including related cabling, ducting, supply of instruments, fittings, fixtures and ancillaries, control room panels, meters and consoles etc. and maintenance of above.

Offshore works

Offshore works such as construction of well platforms, process platforms, laying of Sub-marine pipelines, Sub-marine cables and related activities like Survey, Engineering, Procurement, Fabrication, Load-out, Tie-town/sea-fastening, Tow-out/sailed-out, Sea-transportation, Hook-up, commissioning of Process and Well Platforms at new and existing locations. Inspection/Maintenance/Repair/Revamp/Renewal of facilities in offshore i.e., submarine pipelines, cables, well & process platforms etc.

Dry Docking works

Works related to Dry Docking and refits of offshore vessel, rigs and associated works.

O&M of Vessels

O&M activities related to Geophysical Vessels, GTVs, OSVs and other specialized vessels.

Onshore works

Installation & commissioning and revamp of onshore installations such as oil & gas processing complexes, effluent treatment plants, water injection plants, power generation plants, over head transmission lines, Operation, repair & maintenance contract and annual rate contract related to above installation.

Rigs and Equipments repair works

Repair and maintenance of Rigs, equipments, etc. for drilling, well services, logging services-both for onshore and offshore.

(MM/47/2019 dated 31.01.2019)

Appendix 17

Standard Operating Procedure (SOP) for the destination inspection i.e. sampling & testing of Chemicals and payment thereof

Sl. No.	Role/Activity	Responsibility	Timeline for Completion	Cumulative Days
1	Creation of Inward Entry	Receipt Section	within 1 day (after final delivery)	1
2.	Intimation to Indentor/User (Chemist) for Inspection and testing	Receipt Section	within 1 day	2
3.	Sample Collection (including intimation to supplier for deputing his representative for sampling giving at least two days time) and dispatch to designated Lab	Indentor (Chemist)	within 4 days*	6
4.	Testing and Issuance of Report after receipt of sample	Designated Lab	within 10 [#] days	16
5.	Issuance of QCC in ICE after receipt of Test Report	Indentor (Chemist)	within 1 day	17
6.	Raising of GR 103 after receipt of Test Report and QCC conforming to Technical Specifications and handing over to Stock Holder	Receipt Section	within 2 days	19
7.	Taking the material on charge, raising GR 105 in the ICE system	Stock Holder	Within 1 days	20
8.	Release of Payment	Finance	Within 3 days	23

* additional 1 day transit time for Outstation lab.

For bactericide 35 days shall be allowed.

Note:

Above timelines for completion shall supersede similar provisions appearing elsewhere in IMMM.

(MM/32/2018 dated 28.03.2018)
(MM/113/2023 dated 08.12.2023)

Appendix-AA

Standard Operating Procedure (SOP) for signing of the Contract after placement of NOA

Sl. No.	Provisions/Situation	Action required
	A. Submission of acceptance of NOA by the successful bidder (applicable for all type of procurement):	
1.	NOA should clearly stipulate that the successful bidder must confirm within 03 days of issue of the NOA that PBG shall be submitted within 15 days from the date of NOA and Non-submission of PBG within stipulated period may lead to annulment of the contract and action against contractor as per tender/NOA conditions.	In case confirmation is not received within 03 days, the dealing officer shall issue reminder(s) to Contractor.
	B. Submission of Security Deposit/Performance Security(SD/PS) by the contractor (applicable for all type of procurement):	
1.	The PBG is not submitted within the stipulated 15 days of issue of NOA, and the Contractor requests for additional time (up to 02 weeks) for submission of PBG, giving reasons for the delay.	Under consultation with Indentor, the dealing officer should examine and recommend extension as per para 16.6.5(g) of IMMM or termination of the Contract/NOA as per para 23.2.1 of IMMM, as the case may be.
	The Contractor requests for a further additional time (up to 02 weeks) for submission of PBG, giving reasons for the delay.	The process as above shall be repeated.
2.	The extension has been granted (upto 02 weeks /further additional 02 weeks, as the case may be) but Contractor fails to either submit PBG Or The contractor requests for extension for submission of SD/PS beyond 04 weeks after the stipulated period of 15 days giving reasons for the delay.	Concerned Dealing officer shall initiate action inviting Procurement Evaluation Committee (PEC) . PEC to decide further course of action and the request shall be agreed to only in exceptional circumstances with approval of Competent Authority in line with Para 16.6.5(g) of IMMM OR action may be taken to terminate the Contract/NOA as per para-23.2.1 of IMMM.
3.	NOTE: Forfeiture of EMD: After placement of LOA, concerned Dealing officer of MM shall ensure validity of EMD till receipt of acceptable SD/PS. If the successful bidder neither submits SD/PS nor extends EMD, ONE week prior to expiry of the EMD, the Concerned MM officer shall put up the case to Level-1 executive for forfeiture of EMD	

	C. Signing of Contract (applicable for services contracts and LSTK only):	
1.	In case standardized or already vetted (at tendering stage or during previous tender) tender/contract conditions are used.	No further vetting should be necessary.
2.	The draft contract document has been prepared based on the tendered contract conditions and the offered conditions accepted by ONGC.	The Dealing officer shall send the draft Contract document to the Contractor within 07 working days of issue of NOA with a remark that the draft document is based on the tendered contract conditions and the offered conditions accepted by ONGC.
3	The vetting of any new specific non-standardized / already not vetted contract conditions, which emerges during the tendering stage.	The Finance/Legal/MM sections (as the case may be) shall vet within 4 working days of its submission for vetting, limited to the specifically non-standardized / already not vetted proposed contract conditions. The same should be explicitly informed to the contractor for their acceptance, informing them that in case their acceptance/comments are not submitted within 01 week, it will be deemed as accepted on the part of the Contractor and no further claim in this regard shall be entertained at later stage.
4	The comments have been received from contractor on the draft Contract document within one week.	<p>No modification in the draft contract should be allowed which is not as per the tender conditions/other conditions as agreed upon by contractor and ONGC during tender finalization.</p> <p>The comments shall be examined and in case corrections in the draft contract are required to be made due to some typographical or inadvertent errors noticed by contractor/ONGC and corrections/modifications are in line with the tender conditions/other conditions as agreed upon between ONGC and contractor during tender finalization process, these corrections should be made with the approval of Contract signing authority.</p>
5	The draft contract is ready for signing,	The contract shall be signed within 15 days of receipt of acceptable PBG.
6	For any reasons whatsoever, the contract is not signed within the stipulated time.	<p>(MM/112/2023 dated 30.11.2023)</p> <p>Dealing Officer shall bring to the notice of the CPA (concerned L-1 executive in case of CoDP and MCoDP level cases) giving full justifications and the further tentative time by which contract shall be signed.</p>

FORMAT FOR UNDERTAKING TO ATTEND PRE-BID CONFERENCE
(to be submitted on Firm's/Company's Letterhead)

I _____, age ____years Son/ Daughter of _____, resident of _____ do solemnly affirm and state as under:

1. That I am the _____ <<Designation of the authorized signatory>> and I am duly authorized to furnish this undertaking on behalf of _____ (Name of the company).
2. That _____ (Name of the company) is desirous of submitting its bid against tender no _____ dated _____ for _____ item / works (Name of tender).
3. That we are deputing our representative (as per following details) who is/are competent to present our queries in Pre-Bid Conference.

Name of authorized representative to attend Pre-bid Conference: _____

Designation: _____

Mobile No.: _____

4. That we are in the business of providing similar Services/Goods as per tender requirement.

(Authorized signatory of bidder)
Seal:

Date:

Place:

Note:

1. In tenders for LSTK Projects, representative of proposed consortium members and / or sub-contractors and / or vendors who are competent to present their queries in the pre bid conference shall be allowed to participate in the pre-bid conference along with the bidder subject to prior submission of details to ONGC as stipulated above.

2. Above undertaking shall be submitted by the bidder alongwith Pre Bid queries within prescribed date, failing which the bidder shall not be allowed to attend pre-bid conference.

**Warehouse Management, Inventory
Management, Stock Verification and
Disposal**

35 Introduction

35.1 Individual CRC entities (assets/basins/plants/services/institutes etc.) are responsible for respective targets and other Corporate requirements including Inventory management and control, Stock Verification and Disposal. The coordination of all functions of Inventory Management, Stock Verification & Disposal including monitoring, achievement of targets and fulfilling statutory requirements will be done by each work center with its own resources under CRC, who will exercise administrative and functional control over manpower for the above purpose. All work centres have to intimate the progress related to all inventory management function to Corporate Inventory management on monthly basis.

35.2 Inventory Management Team Responsibilities: For this purpose, all work centres shall constitute a full time Inventory Management Team with the approval of concerned Key Executive. This team will have the following responsibilities:

35.2.1 Act as MRP controller for planning of requirement of materials.

35.2.2 Check the Inventory level of items being procured, which includes Stock position of the item under various plant, non-moving Inventory at work centre level, qty. on order, past consumption under ABC & XYZ analysis, safety and buffer Stocks, lead time analysis etc. while releasing the PRs at MRP level.

35.2.3 Assist in the quarterly monitoring of inventory.

35.2.4 Act as co-coordinator with CIM, Dehradun.

35.3 CODIFICATION

35.3.1 While using existing material codes and requesting for new material codes through ICE, indentors have to check carefully for existing codes while generating PR. If manufacturer's part nos are superseded, codes available with old part nos should only be used by creating MPN(Material Part Number) in SAP. In case of stores complete specifications required for procurement of right material should be given so as to prevent any duplication of material codes.

35.3.2 Further indentors have to provide details like complete specifications of material in case of stores &for spares details like part nos., OEM make, model &name of equipment with vendor/asset codes for release of blocked codes in SAP system.

35.3.3 In case of procurement of capital items, asset codes available on generic names should be used and detailed specifications can be provided in PR only.

35.4 Insurance Items

- 35.4.1** Insurance spares, against each equipment, will be identified by the user department and Chief - Technical services will approve the list of such insurance spares.
- 35.4.2** Similarly, there could be some stores items which can be identified as insurance items, since they are not expected to be used in normal operations but need to be kept in stock for emergency purpose since they have long lead time and cannot be procured off the shelf. Such items also need to be identified by the respective Chief of Services.
- 35.4.3** The insurance spares on receipt in stores shall be transferred to the storage location meant for insurance spares by Stock holders.

36 Clearing and Forwarding

36.1 C&F section responsibility

36.1.1 The Clearing and Forwarding Section will be responsible for correct registration, linking and disposal of all transit documents, clearing / receipt / despatch of materials by Air / Rail / Road or by post and preparing necessary documents connected with their work.

36.2 Receipt of transit documents and creation of inward entry

36.2.1 Transit documents such as Railway Receipts (RR), Parcel Way Bills (PWB), Goods Transport Receipt (GTR) and Convoy Notes in respect of materials dispatched by the consignor will be received from the Central Diary Section and an inward entry created against each document in the ICE system within 5 days of receipt of such document from Central Diary section. The details of the transit documents are captured in inward entry. Inward entry should be updated in case any additional details need to be captured.

36.2.2 C&F section will regularly generate the report (highlighting the pending inward entries for which RCN has not been created) from ICE system and take necessary action with carrier(s) to expedite delivery of materials which have not been received within the normal time allowed for transit.

36.2.3 In all instances of non-receipt of consignment(s) within the normal time limit, local authorities will be contacted to initiate action to locate the consignment(s).

36.2.4 If, however, the materials are not received within the reasonable period and LR/ RRs / PWBs/AWBs remain outstanding, a formal claim on the Railway / Carriers will be lodged by the Clearing & Forwarding Section and intimated to the Officer-in-Charge, Stores. This submission of the claim will not be delayed beyond one month from the date of despatch of materials by the consignor and should ideally be done within 7 days beyond the expected date of arrival.

36.2.5 If the materials arrive at the Railway Station prior to receipt of LR/ RRs / PWBs/ AWBs, delivery of the same should be taken against the Indemnity Bonds. Necessary record is, however, to be maintained on in the ICE system at inward entry stage. LR/ RR / PWB/ AWB will be tendered to the Railway as soon as they are received from the consignor and the Indemnity Bond cleared.

36.2.6 Postal Despatch Advice Notes are also to be entered in the ICE system. All instances of non-receipt of post parcels within one month from the date of the despatch will be reported to the consignor for taking up the matter with postal authorities. In case where the materials have been received prior to the receipt of postal despatch advice from the consignor, proper linking will be maintained in the ICE system

36.3 Arrival of materials and creation of RCN

36.3.1 The materials may arrive in Clearing & Forwarding Section as follows

- a. By full wagons where Railway sidings is provided inside the stores-yard.
- b. By full wagons or piece consignments at Railway Station where the Railway sidings is not provided.
- c. By Road Transport.
- d. By Post.
- e. By Air.

36.3.2 When full wagon(s) is / are received at the Railway Station or at the Railway siding inside the Stores yard, immediate steps will be taken to unload the wagon(s) to avoid any demurrage. If due to any unavoidable circumstances the wagons cannot be unloaded within the period authorised by the Railways, necessary reasons therefore will be recorded in the Remarks column against the Inward entry in the ICE system.

36.3.3 Immediately on receipt of full wagon(s), these will be examined in the presence of the Railway representative to ensure that there are no apparent indications suggesting any loss or damage to material enroute and all locations / seals both of consignor and Railways are intact.

36.3.4 Particulars in respect of wagons on receipt will be entered in ICE system.

36.3.5 In case of stores received after trans-shipment, the original wagon No. will be entered in the Remark column in the ICE system.

36.3.6 Wagons will be opened and unloaded in the presence of Railways representative and checked against the Convoy Notes. In case of any discrepancy, a certificate to the effect will be obtained from the Railway representative for use in support of the claims. The discrepancy will also be noted against the inward entry in the ICE system. Immediate steps will be taken to lodge the claim with the Railways authorities.

36.3.7 Upon receipt of material, the clearing and forwarding section will make a Receipt Convoy note within 3 working days in the ICE system and handover the material to receipt section.

36.4 Damages/discrepancy in receipt of materials

36.4.1 Before collecting the material, the representative of the Clearing and Forwarding Section will ensure that the packages are in good condition and show no signs of any loss or any damages to the materials enroute and the weight of the packages / consignments matches with the weight shown on the LR/ RR / PWB/ AWB. In case of sealed packages, all the seals will be checked to ensure that these are intact.

36.4.2 In case the packages / consignments are damaged or there is any discrepancy in weight, open delivery will be demanded from the Railways and the contents of the packages will be checked in presence of Railways representative. Any discrepancy found will be noted in ink on the Railway Delivery Book and the LR/ RR / PWB/ AWB and relevant packing slip will be endorsed with details of the discrepancy. In case of Road Consignments, open delivery shall be taken in presence of representative of transport company, listing out the items and quantities received. The open delivery report shall be got endorsed by the transporters' representative and handed over to receipt section for further action along with the consignment.

36.4.3 In case the consignment is received in damaged condition, the necessary information will be given in the Remarks column of the Convoy Note.

36.5 Raising of discrepancy report

36.5.1 Materials which are received in packed cases or otherwise, are to be checked with the supplier's packing list. In case any discrepancy is noticed, this is to be recorded in the Discrepancy Report on the ICE system. Discrepancy Report should clearly bring out the conditions of packing as received, the gross weight and net weight as verified. Digital photographs of the consignment clearly bringing out markings on packages and showing the relevant conditions of packaging, items may also be taken for records and substantiation of claims.

36.5.2 For any discrepancy, where the claim needs to be taken up with the supplier (such as Short Supply or Non-Conformity with order specification in case of inspection at destination), purchase section will be informed as soon as discrepancy is noticed and to send Discrepancy report along with photographs (if available) to them. Purchase Section will prefer the claim with the supplier. The Purchase Section on their part will take immediate action.

36.5.3 For claims against transporter or insurance such as Transit loss/Transit damages, the C&F section will take up the claim as applicable for indigenous consignments. In case of import Consignment, the Discrepancy Report along with photographs of consignment, if relevant will be sent to T&S Section who, on their part, will prefer the detailed claim with the insurance company.

36.5.4 The preliminary claim indicating the consignment and insurance policy reference and quantum of losses/damages be lodged on the insurance company as well as the transporter immediately. It must be ensured that the discrepancy reports reach the consignor within the period of insurance so that claims do not become time barred. The inspecting authorities must complete the inspection expeditiously so that the claims can be preferred on the insurance companies within the validity period. Intimation regarding the discrepancy should be sent to supplier, transport, purchase section or T&S as the case may be.

36.5.5 Discrepancies should be raised for all incidents and claim taken up with the respective parties. In case the claim is to be settled with the insurance company, claim should not be made for values for which claim cannot be settled due to value being under the “exclusion clause”. Such cases are to be referred to the purchase section to obtain necessary write-offs.

36.5.6 In charge, warehouse will be responsible for managing and closing out all discrepancies raised by C&F, in association with attached finance. The MM officer(s) not below E-1 level will have full powers to approve and countersign a Stock Discrepancy Report and direct follow up action. Officer(s) of E-0 level shall exercise these power upto Rs 10,000.00. However, where materials management officer of E-1 level is not posted, E-0(MM) may exercise full powers.

36.6 Despatch of material to outstation

36.6.1 When any materials are required to be despatched from the MM (Stock), where support of C&F is required, the stock holder will intimate the Clearing and Forwarding section.

36.6.2 The Clearing and Forwarding section will take immediate steps to arrange the despatch of the materials as required i.e. by Rail/Road/Post.

36.6.3 Before taking over the packages for despatch, the Clearing and Forwarding Section will sign the Goods Issue Voucher copy of the Stock-holding section indicating thereon the time and date when the packages were taken over by them.

36.6.4 In case of full wagon loading, the existing regulations covering the demand of wagons will be observed.

36.6.5 Wagons will be loaded to the full capacity considering the type and weight of the items being loaded. If the materials are to be despatched needing a number of wagons, urgently required materials are to be loaded and dispatched first

36.7 Preparation of Despatch Convoy Note

36.7.1 Despatch Convoy Note is to be prepared in the ICE system. C&F will obtain the signature of the transporter on a copy of the DCN and keep for their records.

36.7.2 When any parcels is despatched by the Post, necessary records will also be maintained in the ICE system and postal receipt handed over to the Stock-holder for record. Necessary receipt of such postal Receipt is to be taken by the Clearing and Forwarding Section from the stock holder.

36.8 Escorting of materials

36.8.1 When any materials are sent in open wagon, suitable escort is to be arranged to accompany the wagons, to avoid pilferage enroute.

36.8.2 During the transit by Rail, delay may take place. The movement of the wagons may, therefore, be expedited at the station where the materials are likely to be transhipped.

37 Transport and Shipping

37.1 T&S section responsibility

The transport and shipping section will be responsible for Insurance from warehouse to warehouse, custom clearance, seaport/airport clearance, payment of custom duty, port/airport charges, freight etc. in terms of contract, obtaining delivery from the carrier and despatch of imported material to ultimate consignee.

37.2 Preparation for receipt of material

37.2.1 T&S section requires following document for clearance of imported material:

1. Copy of Purchase Order
2. Advance Shipping intimation indicating Vessel Name, BL/AWB No. & date, Port/Airport of Loading & Discharge, Invoice No., Date & Value, Description of goods, No. of Packages and Weight, etc. for insurance purpose immediately after despatch of Goods and but not later than the day before landing of the consignment at port/airport of destination
3. Advance set of documents(non-negotiable) like copy of Bill of Lading/AWB, Commercial Invoice, Package wise packing list with weight, dimension and contents of each package, certificate of country of origin, technical brochures etc as per purchase order.
4. Essentiality Certificate wherever applicable.
5. EPCG Licence wherever applicable
6. Other licences/permissions such as explosive license as applicable for import of such items.

37.2.2 Concerned Department should ensure that the above documents are made available to T&S well before landing of consignment at port/Airport of discharge.

37.2.3 The purchase section will act as a facilitator to ensure that the required documents are sent to T&S in advance.

37.2.4 On receipt of shipping intimation, T&S Section will obtain insurance cover for the consignment on warehouse to warehouse basis. Value of consignment for insurance purpose will be as under:

1. Material Cost (FOB Value)
2. Ocean Freight

37.2.5 The T&S will take an annual open cover for insurance of the material expected to be received from any of the subsidiaries of the General insurance corporation of India after calling sealed quotations in bids. Information about these cover for insurance should be conveyed to purchase authorities and ultimate consignees. T&S will also maintain advance premium deposit with the insurance company based upon the premium requirement from past experience. In case of bulk cargo/high value cargo, Purchase Section may provide or cause supplier to provide advance intimation to T&S prior to shipment to adequately enhance the premium deposit to keep the insurable interests under the open cover duly protected.

37.3 Arrival of material

37.3.1 On availability of all the documents and after landing of material, T&S section shall file bill of entry with Customs for clearance. T&S section shall make all necessary payments for obtaining delivery, for example:

1. Port/Airport/CFS charges to port/Airport/CFS Authorities
2. Custom Duty to Customs
3. Freight and allied charges to shipping/Air consolidation agents
4. Stamp Duty to State Govt.
5. Insurance charges to insurance company

37.3.2 T&S Section may maintain PD accounts with concerned authorities wherever possible for ease of payment.

37.3.3 The insurance cover shall be suitably extended by T&S Section to ensure that the cover does not expire before material reaching the ultimate consignee, even in case of CIF shipments. In case of CIF shipments, Purchase Section should ensure that the insurance cover is on warehouse to warehouse basis and the validity of insurance remains for 90 days after discharge of the cargo at discharge port/airport. If extension in CIF shipment is required due to supplier providing inadequate insurance cover, the same will be brought to notice of purchase section for settling with the supplier. However, T&S office to ensure that material are covered under valid insurance policy till it reaches to ultimate consignee stores.

37.3.4 The material consignment will be checked against shipment documents and in case of any shortages/damages identified at port, T&S Section should raise the discrepancy to purchasing authority and lodge insurance claim.

37.3.5 Upon clearance of material, the T&S section will make an inbound entry in the ICE system.

37.3.6 As soon as material has been cleared from the port and despatched to ultimate consignee, an intimation to this effect shall also be sent to MM and F&A Department indicating the following:

- a. Date of arrival of consignment at seaport/airport
- b. Date of receipt of documents from the supplier
- c. Date of clearance of material at seaport/airport
- d. Amount of demurrage/container detention paid due to:
 - i. Late receipt of documents from the supplier
 - ii. Delay in negotiating the documents
 - iii. Defective documents viz invoice not in accordance with supply order;
 - iv. Non-availability of packing list
 - v. Non-adherence to supply order conditions
 - vi. Non-availability of valid essentiality certificate
 - vii. Non-availability of bank negotiated documents
- e. Whether any shortage/damage/loss has been noticed after the material landed at the port and upto the time it is despatched to ultimate consignee
If so, details of the claim lodged with foreign underwriter, its Indian agent and carrier.
- f. Date of despatch of material to ultimate consignee

37.3.7 The responsibility of lodging claims for any discrepancy noticed till dispatch of material from port rests with T&S. T&S will lodge a claim against transporter or insurance company, as applicable and close out the discrepancy. The information for the same will be sent to Purchaser, Indentor and Finance. In case the claim is to be settled with the insurance company, claim will not be lodged for values for which claim cannot be settled due to value being under the "exclusion clause". For such cases, intimation shall be sent to purchase section for obtaining necessary accounting adjustment.

37.3.8 In case the carrier or underwriter informs, after claim is lodged that the material was not originally shipped by supplier although it was manifested for shipment, the supplier or freight forwarder has to make good the losses. Such information must be sent to the Purchase department who will then settle the claim with the concerned supplier.

37.3.9 T&S shall take all necessary steps for timely clearance of material and to transport the material to avoid any demurrage charges. However, in case of delays in clearance of material and leading to incurrence of demurrage charges, intimation for recovery/write-off/ adjustment will be sent to the concerned department.

37.4 Transportation and unloading of material (General)

Whenever the POs are placed with delivery conditions on Ex-works basis, nomination of transporters for lifting the material and arrangements for transportation of material from firm's premises should be made without any delay, as per the conditions of order. Also, in case of transportation of material through the suppliers trailers against delivery on FOR destination basis, immediate arrangements should be made for unloading of the materials at ONGC's store formations to avoid unnecessary detention of supplier's trailers.

38 Receipt & storage of Material

38.1 Introduction

- a. The function of the receipt section is to receive the material either through Clearing and forwarding sections, direct delivery or Transport and shipping division, check the material against supply orders/convoy notes and pass on to stock holders for storage
- b. The stock holder's responsibility is to receive the material from Receipt sections or material sent back by user, store the material as per guidelines to maximise shelf life, follow "First in first out" and issue the material to user against indents.
- c. All material must follow the standard procedure of receipt into main warehouse before being issued to user group except in cases of emergency where the material can be delivered directly to user group and relevant entries created in the ICE system. Where exigencies of work do not allow routing of material through stores approval of concerned key executive should be obtained by the indenter/user for direct collection of material from vendor. Such approval should be forwarded to store formation along with pre-receipted indent within 15 days of direct collection of material. Items procured under emergency must be tracked by user group for immediate consumption.
- d. In-charge Warehouse will ensure that the rules and regulations issued from time to time on Materials Management by the Corporation are followed by all the Sections under him to maintain proper control.

38.2 Receipt of material

38.2.1 Arrival of material at Receipt section and raising of GR 103

- a. Copies of all supply orders placed by the Procurement Section are to be sent to the Receipt Section. The Receipt Section will maintain record of the supply orders .
- b. Purchase section will intimate the receipt section upon dispatch of material by supplier to enable Receipt section to plan for their receipt
- c. Upon arrival of material in the receipt section, the receipt section will take over the material and sign the Convoy Note to be handed back to the C&F section or transporter as applicable. Receipt section will then make an inward entry in the ICE system within 2 working days and notify QAD(if required).
- d. The material is to be checked with the supply order and Convoy Note. Receipt Section will engage the QAD for "inspection at destination" items and user group(if required) for TPI items. After the completion of inspection, necessary Goods Receipt Voucher will be created in the ICE system (within 7 working days of receipt of material) linked to the purchase

order. The Receipt section shall escalate the issue to higher levels to ensure timely creation of GRV.

- e. Materials Management Officer authorised by In charge MM shall be provided access in the ICE system to create Goods Receipt Voucher. In case the quality of the material received is required to be referred to external expert(s), the Receipt Vouchers for such materials have to be prepared but with the system flag defined to block the issue of such material till the technical expert approves of the quality of the material.
- f. All packing material received along with the materials is also to be received and entered in the stock register especially opened for packing material. Any packing material issued for packing purposes or otherwise is also to be properly recorded by following normal procedure of Receipt and Issue.
- g. No GRV will be raised for petty purchases of consumable items as per BDP.

(MM/69/2021 dated 20.08.2021)

- h. The SAP has been designed to ensure that no GRV can be prepared unless a QCC is issued in the system by QAD or Regional Chemical lab in case of chemicals, except items listed in Manual. Where material has been inspected by a third party since third party is not authorized to generate QCC in the system, in such cases concerned indenter shall generate QCC in the SAP as per para 21.1.13.
- i. In addition to any other responsibility mentioned elsewhere, following Documents required alongwith supply of goods shall also be reviewed by the Receiver of Goods (I/c-Receipt/Indenter, as the case may be):
 - 1. Copy of Tax Invoice
 - 2. Proof of dispatch (RR/GCN/LR/e-way bill etc.) .
Copy of the e-way bill / e-way bill number(Wherever applicable)
 - 3. Satisfactory inspection report/TPI report & QCC issued by authority mentioned in PO, wherever applicable

Note: Based on the certification from receiver of goods, the concerned store formation (I/c-receipt) raising the GRV shall check all the documents and prepare GRV as per guidelines on the subject. .

38.2.2 Raising of discrepancy report

- a. Upon receipt of material, the receipt section will check the material against the packing list/Receipt Convoy Note /Inbound entry/ Goods Issue voucher as the case maybe. In case any discrepancy is noticed, this is to be recorded in the Discrepancy Report on the ICE system. Discrepancy Report should clearly bring out the conditions of packing as received, the gross weight and net weight as verified. Digital photographs of the consignment clearly bringing out markings on packages and showing the

relevant conditions of packaging, items may also be taken for records and substantiation of claims. Intimation regarding the discrepancy should be sent to supplier, transporter, purchase section or T&S as the case may be.

- b. For any discrepancy, where the claim needs to be taken up with the supplier (such as Short Supply or Non-Conformity with order specification in case of inspection at destination), purchase section will be informed as soon as discrepancy report is generated and Discrepancy Report along with photographs of consignment sent to them. Purchase Section will prefer the claim with the supplier and/or Insurance Company, whichever applicable. The Purchase Section on their part will take immediate action so that the claims do not become time barred. In such a case, the consignee receipt section shall advise the concerned purchase section regarding the claim on the supplier's Security deposit / PBG until the issue is settled.
- c. In case of damaged delivery, the Receipt section will take up the claim with the transporter and/or arrange the survey and lodge claim on the insurance company as applicable. In case the claim is to be settled with the insurance company, claim should not be raised for values for which claim cannot be settled due to value being under the "exclusion clause". For such cases, intimation shall be sent to purchase section for obtaining necessary write-offs.

38.2.3 Transfer to stockholder

- a. The receipt section will segregate items stock holder wise and pass on the items to respective stockholders for storing into warehouse. Items blocked for issue till approval from technical expert will be highlighted to stock holder separately to be kept at a separate location for easy identification.

38.3 Storage into main warehouse

- a. To identify the materials from the respective suppliers, before binning the materials, one representative sample from the consignment will be attached with the identification card, which will indicate :-
 - i. Receipt Voucher No. and Date
 - ii. Nomenclature
 - iii. Part No.
 - iv. Location / Bin No.
- b. The stock holder will receive material from the Receipt Section for the material identified for storage into locations under his responsibility.
- c. The materials will then be passed for binning.

- d. To ensure that there is no wrong binning, fresh consignment to be binned will be compared with the consignment already lying in the Bin before binning. If the consignment does not tally, a recheck should be undertaken and correct Bin No. re-allocated. In case of error in inspection / acceptance, attention of the QAD will be drawn.
- e. As far as possible new receipts will be so arranged in the Bins that these are last to be selected for issue so that proper turnover of the stock is maintained.
- f. Prior to binning action, the quantities already held in Bins will be checked and determined whether sufficient room exists in the Bins to accommodate the total quantities received. If there is insufficient place in the Bin to accommodate the whole of the new receipt in the Bins, a new location, preferably in the vicinity of old location, will be created. A GRV will be subsequently raised in the ICE system (within 2 working days of taking over material from receipt section) capturing details on storage location and quantity stored against each material code.
- a. The following guidelines will be followed for stocking of material:
 - i. All materials will be kept in Racks / Bins.
 - ii. All Racks / Bins will be given location Nos. The same is to be recorded in the ICE system.
 - iii. All materials must be properly preserved as per guidelines framed for storage of material as per recommendations provided by the supplier. A separate policy on Storage and Preservation has been issued, which should also be referred to while storing.
 - iv. While stocking materials, the heavier items will be kept at lower rungs of the racks and lighter on higher ones.
 - v. Fast moving items should be stored at easily accessible place and to the nearest point of issue.
 - vi. Stocking of the items should be so arranged that the principle of 'First In' 'First Out' (FIFO) can be easily followed.

38.4 Issue of material

38.4.1 Raising of STO/Reservation

- a. User should raise STO for items which are expected to be consumed over a period of time at site and exact quantity and cost object (against which the material is to be booked) is not known at the time of raising of STO. Thus, inventory at site for such needs to be tracked for such items.
- b. Items which don't fit the above criterion/General consumable items should be issued through reservation route.

- c. The indent will have the CPF number of employee assigned to receive the material at site.

38.4.2 Preparation of Goods Issue Voucher and transfer of material to site/other main warehouse

- a. Materials Management Officer authorised by In-charge MM will be provided access in the ICE system to raise a GI.
- b. The Stock Holder shall :-
 - i. Issue the goods and raise a GI voucher against the STO/reservation indicating the quantity of material issued, location from which it was taken and the CPF number of person receiving the goods from main warehouse. An automatic intimation shall be sent to the indenter and identified receiver through the system.
 - ii. Take three printouts of the GI voucher, sign them and take the signature of the person receiving the goods on the GI voucher
 - iii. Hand over the indenter's copy and gate pass of the GI to the indenter or his representative
 - iv. File the Stock-Holder copy of the GI voucher for reference.
- c. While light goods shall be immediately issued to the person bringing the indent, the heavy goods shall be sent through the logistics team(in case of transfer to site) or C&F(in case of transfer to another main warehouse). The In-charge Warehouse and user representative shall co-ordinate with logistics/C&F for such deliveries. When the material is to be delivered by logistics team/C&F, the transporter(truck driver/ship captain) shall take a copy of the GI voucher with him and bring it back to the Logistics/C&F section with signature and CPF number of the indenter in token of receipt of materials. Transportation of material in case of offshore is handled by Offshore Logistics and the same process of providing acknowledgement to stock holder upon dispatch and receiving acknowledgement from user group upon delivery should be followed.
- d. The logistics/C&F team shall update the Goods Issue voucher with the details of goods receiver upon receipt of a signed copy of GI voucher from the transporter.
- e. For security purposes, copy of GI voucher shall be shown to the Watchman at the gate, who shall sign or stamp it in token of having checked the goods.

38.4.3 Packing of material

- a. When the materials are required to be dispatched to out station, these are to be properly checked and packed in the presence of two responsible officials, one from Stock Holding Section and the from Clearing & Forwarding Section/Logistics section.

- b. For each packing case, independent packing list is to be prepared in triplicate. One copy will be kept in the case; second will be sent to the consignee along with the Issue Voucher and Railway receipt and the 3rd copy to be retained by the Stock Holder.
- c. Packing Section: In-charge Warehouse can decide to setup a separate packing section (if required), else the same can be taken care by Clearing and Forwarding Section and Logistics Sections
- d. Packing of Materials
 - i. Before packing is commenced, it should be confirmed that quantities and nomenclature on the Issue Voucher tally with the materials.
 - ii. In packing bay sufficient stock of packing materials such as straw, wood, cotton waste, paper, water proof paper, cartons etc. will always be maintained.
 - iii. The packer should pay particular attention while packing the items of fragile nature. The material should be so packed that the material in the packages, while in transit, do not move or rattle. Packing should be of suitable quality to ensure that it withstands rigors of transit and storage.
 - iv. Suitable packing boxes, crates and cartons will be used according to the nature and quantity of the materials to be packed.
 - v. One copy of the packing slip showing the contents of the particular box should be put inside the box.
 - vi. The box is to be sealed after packing. Name of the consignee, name of the consignor, Station of Destination, Net weight / Gross weight and nature of materials especially when it contains items of fragile nature, will be written on the packages before despatch.
 - vii. When packages are despatched by Rail, the same must be consigned to the Railway Station nearest to the consignee and under no circumstances, the postal address will be indicated on the packages.
 - viii. When the packages are despatched by post, full postal address of the consignee is to be written on the parcel.
 - ix. Stock Holder will check all packages for standard of work and correct markings.
 - x. The packages will then be handed over to the Clearing and Forwarding or logistics Section for onward despatch.
 - xi. The Clearing and Forwarding/Logistics Section will also check the address and the markings on the packages.

38.4.4 Booking of consumption for stores and spares issued against reservation or STO-sales route

- a. The items of Stores and Spares when issued against reservation or STO-sales route (where the cost centre is specified in the STO) from the main warehouse, will be finally charged off from the Books. The User Department will, however, maintain in ICE system the inventories of such stores & spares items in their possession which may be fit for repeated use over a long period of time and will be responsible for their safe custody and accounting until they are written off due to normal wear & tear or any circumstances like loan to other departments or projects, loss etc. These records will be subject to Stock Verification to ensure that these are always complete and up-to-date.
- b. In case of insurance spares, the reservation will be made by the indentors against a special movement type in the ICE system with the capital asset number after obtaining the same from the asset accounting cell.

38.4.5 Issue of Capital items

- a. Capital items, as soon as received, will be issued to concerned Indentor. In case these are not indented within a month, the matter will be brought to the notice of concerned Key Executive for suitable directives to concerned Indenting Department and such items may be issued to other departments.
- b. The Capital items will be issued only after necessary asset number has been generated for the item by the Finance Depts. The user shall get this asset number generated and inform the same to stock holder for the issue of capital items. Once issued against demand(s) of authorised indentor(s), the capital items will be finally be struck off from CIOS and further responsibility for their accounting will lie with the Accounts Department and responsibility for distribution / safe custody etc. will lie with Indentor / User Depts., as the case may be, until the item(s) are condemned and declared fit for disposal. Details of capital items with indentors will be maintained in ICE system.

38.4.6 Issue of material on loan to other organizations

- a. Material will be issued for loan to other organization on receipt of proper indent in the system.
- b. The stock holder will issue the material against the request in the ICE system and the item will be charged off from inventory.

38.5 Receipt of material at site (MAS) and booking of consumption

38.5.1 Introduction

- a. The Site will stock materials to assist regular operations but they are not supposed to stock materials for a long duration. Indentors / users have to keep optimum level of Inventory at site. "MAS" should be based on past consumption patterns only and should not exceed more than three months requirement. This should be monitored in system on weekly basis. User department shall generate STO for stores formation from time to time to meet their needs.
- b. The Site materials will remain under the direct control of the Officer In charge of the Operations at the site and he will be responsible for proper consumption of material.

38.5.2 Preparation of GR at site

- a. The site store keeper/user will receive the material at site and counter sign the indent copy(also mentioning his name and CPF number clearly) available with the logistics personnel delivering the material
- b. The receiver of the goods at site will ensure the raising of GR in the ICE system. In case of partial delivery, the user should raise GR for the items received. There can be issues of non-receipt, damage during transit or short receipt of material which can be handled through transaction codes available in system SAP-project ICE & the power available in BDP.
- c. If the GR is not raised at site till 7 days from issue, automatic email reminder from the ICE system will be sent to the user/indentor asking to raise the GR.
- d. If the GR is still not raised till 10 days from issue, another email reminder from the ICE system will be sent to the user with a copy marked to concerned In-charge.
- e. If material is shown in transit for 15 days, GR will be automatically raised and material will be assumed to be received at site against the indentor identified in the original request as the receiver. However in case there is discrepancy between the quantity actually received at site and system generated GR raised, concerned user will delete the system generated GR and raise another GR for the actual quantity received at site.

38.5.3 Issue of material from site and booking of consumption

- a. The user group will raise a Goods Issue voucher in the ICE system against the items being taken from site store for consumption. These items will then be charged off from the Stores and Accounts books. On-line consumption booking of materials should be done on daily basis immediately after the material is consumed.
- b. Drill Pipes and Drill Collars are to be booked to cost center of the rig upon first usage and are to be taken back at zero value in the system for tracking purpose.

38.6 Return and condemnation

38.6.1 Return of unused material to main warehouse

- a. Whenever any material lying at site is surplus to the requirement of users, it should be returned through Stock Transport Order to the Main warehouse.
- b. The user will provide a physical copy of Goods Issue voucher along with quality certificate of the unused material at a level not below E4 for material other than chemical & cement and by a chemist not below E4 for chemical & cement and the expiry date of chemicals/ cement should not be less than six months from the date of return to main store to the logistics team and obtain the signature of the transporter on a copy of voucher to be kept with user for records.
- c. Once the material reaches the main warehouse, the Stock Holder will take the material on charge and countersign the Goods Issue copy available with logistics team/indenter. These would be stored back as per existing norms and GRV raised in the ICE system.

38.6.2 Initiation of Disposal action

- a. Scrap generated and materials which become unserviceable during the process of operations should be promptly identified and disposal action initiated on the same. A policy on the subject has been issued in separate chapter on Disposal.

38.7 Implementation of Radio Frequency Identification device(RFID)

38.7.1 Generation of RFID codes and applying them on items

- a. The purchase section at the time of placement of order shall send the details of RFID tags to the vendor along with the PO.
- b. The vendor shall be responsible for applying RFID tags on the material before dispatching of same. In case, the vendor is not equipped for the application of RFID tags, the same can be done through a third party, after informing the purchase section of the details of such third party.
- c. If the material is designated for inspection at vendor's premises, then the QA/TPI team shall check proper application of RFID tags on the material
- d. The vendor shall scan the RFID tag at the time of dispatch.
- e. In case the vendor does not apply the RFID tags despite the same being agreed upon at time of order placement, the same will be done at receipt section and purchase section informed to settle the matter with the vendor. An alternate facility shall be made available at receipt section for such cases.

38.7.2 Use of RFID tags and scanners

- a. RFID scanners shall be used by Receipt section, Stock holders and users at site for creating GR, GI and booking of consumption in system
- b. Casing pipes will be issued and consumed at actual length using this system.
- c. Scanners shall be used by Stock verification team as well for verification purposes.

38.7.3 Disposal of RFID tags

- a. Special attention will be required at time of disposal of items with RFID tags attached
- b. The salvage section can decide one of the following as per their assessment and feasibility:
 - i. dispose the items as is, with RFID tags installed. In such a case, the bidders will be informed beforehand and they will need to make appropriate arrangements for final disposal of RFID tags as per government regulations.
 - ii. remove RFID tag and dispose it separately. For such a case, central rate contract will be entered into for disposal of these items.

39 Stock Verification

39.1 Introduction

- a. Annual physical verification of inventory and capital items is a mandatory requirement and must be carried out as per statutory provisions
- b. The stock verification team will be a multi-disciplinary team constituted by concerned key executive consisting of members from MM and officers from various technical discipline (like, officers of mechanical / electrical / electronic / Instrumentation disciplines for equipments of mechanical / electrical / electronic / instrumentation nature, officer from HR discipline for furniture/fixture/misc. items and officers from Logistics / Automobile discipline for vehicles) of minimum E1 level.
- c. The annual stock verification programme for various work centers for fixed Assets, Stores & Spares shall be approved by Head of Stock Verification at Head Quarter/ I/C MM at locations.

39.2 Verification of stores, spares and capital items on stock (CIOS)

- a. In the first week of April every year, the flag in ICE system will be updated against material codes to determine the frequency of verification:

Class A – To be verified in the current year

- i. Capital items on Stock
- ii. Stores or Spares with Stock Value Rs. 4,00,000 and above
- iii. Stores or Spares with last year consumption Rs. 50,00,000 and above

Class B – To be verified every two years (B1 & B2 each year respectively)

Stores or Spares with stock value Rs. 1,00,000 and above but < Rs. 4,00,000

Class B is further subdivide into B1 and B2 based on the material group mapped in ICE system.

Class C – To be verified every three years (C1, C2 & C3 each year respectively)

Stores or Spares with last year consumption < Rs. 1,00,000

Class C has been further subdivided into C1, C2 & C3 based on material group mapped in the system.

- b. The stock verification team will carry out verification of the items identified as A in the first year both at main warehouse and at site and raise discrepancies in the ICE system, if any. The items identified as B and C

will be verified by SV team at main warehouse and self verified by user group at site.

- d. The discrepancy reports will be marked to In-charge MM, concerned Key Executive and Finance.
- e. Concerned section will be provided a period of 30 days to adjust the discrepancies through making available the discrepant items or to post stock adjustment entry and initiate the procedure for write off, as the case may be, after approval from Competent authority.
- f. If the discrepancies are not addressed in a period of 30 days, the same will be brought to notice of concerned Key Executive and Chief MM.
- g. Upon resolution of discrepancy, the same would be closed in the ICE system and information sent to stock verification team and Finance team.
- h. In case, a stock holder is being transferred out of his role, all material under his custody must be verified and any discrepancies resolved, before the stock holder moves out of the role. The reporting manager should ensure the above activity has been carried out and then transfer the material in the name of new appointed stock holder. In case discrepancy is not settled before transfer/retirement, reporting manager and key executive shall takeover and resolve the discrepancy but the discrepancy should not be left to the new person replacing the existing one. This will ensure that the new stock holder receives correct material on charge and any discrepancy arising thereafter shall be his responsibility.

39.3 Verification of assets

- a. All the indenters as well as respective Asset Accounting Sections have to periodically review and update the Asset Master for identification and correcting the description/location to maintain correct records of assets in the system and enable efficient and accurate verification of all assets.
- b. Asset verification will take place as specified in the Asset accounting chapter under the Finance Manual. The guidelines also include category of items covered under Self Verification by indenter.
- c. Stock verification team will raise discrepancy report(if any) and the same will be brought to the attention of concerned sectional head and Finance division for settlement. Settlement shall be taken care between the user group and Asset Accounting Cell.
- d. The work centre is provided a time period of 30 days for settlement of discrepancy/initiation of write-off and upon expiry of this period, the stock verification team shall bring any outstanding discrepancies to the notice of the concerned Key Executive and Director concerned.

- e. Upon settlement of discrepancy or write off being approved, the same will be updated in the ICE system for closing the discrepancy.
- f. The maintenance and safe keeping of an asset shall be the responsibility of the capital indenter and custodian as identified in the ICE system.
- g. In case, a custodian is being transferred out of his role, all assets under his custody must be verified and any discrepancies resolved, before the custodian moves out of the role. The indenter for the asset should ensure the above activity has been carried out and then transfer the asset in the name of new appointed custodian. In case discrepancy is not settled before transfer/retirement, indenter for asset and key executive shall takeover and resolve the discrepancy but the discrepancy should not be left to the new person replacing the existing one.
- h. In case, an indenter is being transferred out of his role, all assets under his name must be verified and any discrepancies resolved, before the indenter moves out of the role. The reporting manager of the indenter and Finance division should ensure the above activity has been carried out and then transfer the asset in the name of new appointed indenter before relieving the original indenter from his role. Indenter under transfer/superannuation needs to obtain NOC from concerned Asset Accounting Cell. Asset Accounting Cell will ensure the transfer of ownership of fixed assets in the above cases. In case discrepancy is not settled before transfer/retirement, reporting manager and key executive shall takeover and resolve the discrepancy but the discrepancy should not be left to the new person replacing the existing one.

39.4 Procedure for write off

- a. The proposal for Write-off of discrepant fixed assets (untraceable)/ discrepant stores & spares/losses should be initiated by indenter/user/ stock holder as applicable and submitted to the Competent authority as per BDP through a committee comprising of members from MM, F&A and concerned Indenter/user section at E-5 level. The write off action should be completed within a period of three months from the date of notice. The proposal for Write-off must contain the following information:-
 - i. Date of notice and details of the discrepancies/losses.
 - ii. Nature(discrepant fixed assets(untraceable)/discrepant stores & spares/losses) and amount of discrepancies/losses. Amount in case of fixed assets will be gross block and net block and in case of stores & spares will be face value.
 - iii. Details of the circumstances .e.g. loss due to theft/fire/ wilful negligence/untraceable (Stock Verification process) and the manner in which it came to light.

- iv. Copy of the enquiry report and result of the action, against the officials if found responsible, in case of loss due to theft/wilful negligence, as per CDA regulation rule 3 J sub rule 3 of schedule II of ONGC's CDA regulation 1994.
 - v. Whether persons other than the Corporation's officials are involved, copy of policy enquiry report and the findings of the Court of law if the persons have been prosecuted, should be forwarded
- b. After approval of the competent authority on the proposal for Write-off of discrepancy/losses, the necessary regularizing transaction in ICE system will be done by the associated Asset Accounting Section/user in association with concerned MM formation and concerned indenter. A formal write-off order(identical to a normal sanction order)will be issued by the concerned indenting section, which will form the basis of transactions in SAP by the associate asset accounting section/user.

Note : If the required level of committee member is not posted/ not in station (on leave/tour) at a work centre then the member will be of the next lower level available and /or as nominated by the concerned key executive.

40 Disposal Management

40.1 Introduction

40.1.1 For a proper control on inventory, it is essential that an effective system to identify all assets and materials which have ceased to be useful to the organisation, shall operate continuously, so that immediate follow up action is possible for their timely discarding and disposal. Disposal activities need to be given special emphasis and needs to be monitored regularly at each work centre in VCB.

40.1.2 The assets and materials which require to be discarded may be broadly classified as under:

- a. Regular disposal items such as empty barrels, burnt oil ,casing pipe thread protectors and all types of scrap like wooden, auto, electrical, tyres and tubes, batteries, electrical wires and cables glass leather, canes, wire ropes etc. which have got specific life period
- b. Unserviceable stores and spares
- c. Capital items which are unserviceable or beyond economic repairs.
- d. Vehicles.
- e. Serviceable, obsolete, unwanted and Surplus stores and spares and capital items.

40.1.3 Like any other large undertaking the ONGC also has a considerable quantity of stores and spares, equipment, plant and machinery, furniture etc. While every effort is made to prolong their life, they do become unserviceable after a long use and their further retention becomes uneconomical. In addition, changes occur constantly in design and specifications of equipment, their components and materials in the scenario of a fast moving technology thereby rendering the items at time as obsolete. In the day to day activity also, considerable quantities of scraps are accumulated for which there are no further use. Prompt and proper disposal of such material is essential and the following paragraphs are intended to serve as guidelines in the various activities involved in the disposal of such materials.

40.1.4 Under MM formation of each work centre (or, each location, where disposal activity is carried out commonly for multiple Assets/Basins etc.), there would be a Salvage section, whose main objective would be:

- a. to ensure that all scrap, metals, waste, surplus stores and equipments are properly located, handled and disposed of at the earliest.

40.1.5 All Financial powers for related to disposal function will be followed as per BDP.

40.2 Initiation of disposal, condemnation and transfer to salvage yard

40.2.1 Standing Condemnation and disposal board- The standing condemnation and disposal board will be formed at each work centre constituted by concerned key executive consisting of one officer each from the concerned user section returning the materials, representative from MM, Finance representative and officers from various technical discipline (like, officers of mechanical / electrical / electronic / Instrumentation disciplines for equipments of mechanical / electrical / electronics / instrumentation nature, officer from HR discipline for furniture/fixture/misc. items and officers from Logistics / Automobile discipline for vehicles). The officers will be at least E-5 level. The most senior member of the board will be appointed as the Co-ordinator by concerned Key Executive.

Following process shall be followed for condemnation and declaring the items fit for disposal:

- a. Items categorized under Section 40.1.2(a) shall be directly sent for disposal by the user department on the basis of certificate by an authorised officer not below E-5 level for the disposal of the items declaring such items as condemned. No approval of competent authority shall be required for condemnation and declaring fit for disposal.
- b. For disposal of items categorized under Section 40.1.2(b), (c) and (d), the user department will raise a request to In-charge of Standing Condemnation and disposal board for directing the requisite members for taking action for condemnation of items. Approval of competent authority as per BDP shall be required for condemnation and declaring fit for disposal.
- c. For disposal of items covered under Section 40.1.2 (e), List of non-moving items shall be prepared by Stock Section. The list so prepared will be submitted to standing survey board. The Standing Survey Board will be responsible to physically examine and see the materials and then recommend as to whether or not the materials can be utilised. Approval of competent authority as per BDP shall be required for condemnation and declaring fit for disposal.

Note (a): If the required level of Standing Condemnation and disposal board member is not posted/ not in station (on leave/tour) at a work centre then the member will be of the next lower level available and /or as nominated by the concerned key executive.

Note (b): In case at one work centre number of key executive is more than one, then key executive who is senior in the organization shall have the power to constitute the board.

- d. The concerned representative/technical member of the standing condemnation and disposal board will coordinate with their respective

sections/groups regarding identification/technical approval of items to be proposed fit for condemnation, prior to their survey by Standing Condemnation and disposal board. The indenting/user group should utilize the following reports for identification of items fit for condemnation/disposal:

- i. Obsolete equipment reports
 - ii. Technical Audit Report
 - iii. Approved Life Norms
 - iv. Inventory reports
-
- e. The board will meet at least once a month and will recommend suitable action on all the pending cases such as alternate use, declare the items as unserviceable/beyond economic repair/condemned and fit for disposal, fixation of reserve price etc. Board in charge can request for a meeting, whenever required, in case urgent attention of the board is required for initiating disposal. The item(s) proposed for condemnation should be kept at a proper location, so that the Standing Condemnation and disposal board can easily identify and examine each item.
 - f. The Standing condemnation and disposal board while condemning items, will recommend if items such as old used rubber, used linen, mattresses, pillows, unserviceable tube lights/bulbs should be disposed of as scrap or should be destroyed following proper procedure, due to their holding being uneconomical.
 - g. The Standing Condemnation and disposal board will recommend whether the items being disposed should be sold on per metric ton basis or on lot basis. Scrap shall be disposed on per MT basis as per guidelines as it help in better control.
 - h. For items consisting of composite materials (such as shock pads, which consist of high value steel besides rubber), the Standing Condemnation and disposal board should assess the approximate metal content in each lot and specify the same in the nomenclature of the lot, so that the contractors quote true value for such lots.
 - i. The disposal of all immovable properties no longer required for use (such as demolition of old structures and buildings etc) is beyond the scope of above mentioned Standing Condemnation and disposal board and will be handled by the respective sections themselves without referring the same to MM formations/disposal sections.

40.2.2 Various powers in respect of disposal will be exercised with reference to the book value or assessed value when book value is not available.

40.2.2.1 Following methodology shall be used for working out the book value:

- a. For used capital items, the “Book Value” would be the depreciated value of the items. Wherever the depreciated value of the items/equipment is not available, the Board of officers, as indicated above, will assess the book value.
- b. The value estimated by the board of officers for such items would be considered as the “book value” of the item/equipment.
- c. For items which are new and which have never been put to use, the book value will be as maintained by the Accounts in the priced ledger.
- d. The book value assessed by the Survey Board could be different from the reserve price

40.2.3 For items where book value is not available, the same would be assessed by a board of following officers at minimum E-3 level after taking into consideration the prevailing market rate, if any, and the condition of the items:

- (i) A Technical officer from concerned discipline.
- (ii) An officer of the section returning the items.
- (iii) An officer from MM Depts.
- (iv) An officer from Finance & Accounts Depts.

40.2.4 Condemnation of Stores and spares which are unserviceable or beyond economic repairs

- a. Items categorised under 40.1.2 (b) will be sent to disposal directly if they have been declared as beyond economical repair or unserviceable by the standing condemnation and disposal board as stated in Para 40.2.1. No specific approval of concerned key executive will be required in such cases. The material will be transferred to disposal location under scrap material code in ICE system, subsequent to recommendations of Standing Condemnation and disposal board.
- b. User department or Stock holders can also bring to the notice of Standing Condemnation and disposal board items such as Rubber, PVC and other dispensable and perishable items which lose their shelf life/deteriorate due to long storage. Such items will also be sent to disposal directly upon recommendation from Standing Condemnation and disposal board.

40.2.5 Condemnation of capital items which are unserviceable or beyond economic repairs

- a. Items categorised under 40.1.2 (c) will be disposed of if they have been declared as beyond economical repair or unserviceable by the standing condemnation and disposal board as stated in Para 40.2.1.
- b. For capital items, concerned User deptt shall get the Census numbers and Book Value verified from Asset Master / Asset Accounting cell, before putting up the items for condemnation. Standing condemnation and disposal board shall verify the Census number of the capital items put up for condemnation.
- c. Condemnation of Capital items received as a part of Turnkey projects (or) as a sub-assembly to a major capital item
 - i. In respect of each of such items, the concerned user section shall certify that the item has been received as part of Turnkey Projects (or) as a sub-assembly to a major capital item.
 - ii. Broad technical specifications of each of such items shall be recorded by the user department, which shall also form part of the condemnation report.
 - iii. For each such item, the concerned indenting/user section shall also indicate the census number of the respective Project / major capital item.
 - iv. Assessed Value for each such item shall be determined by the board as per para 40.2.3.
 - v. For condemnation of such items, the recommendations of the Standing Condemnation and disposal board (including Assessed Value of the items) shall be got approved by competent authority as per BDP.
 - vi. After condemnation and physical handing over of such items to Salvage section, In-charge of concerned indenting/user section (or, his representative) shall co-ordinate with the Asset Accounting cell for necessary regularizing work related to accounting.
- d. The Survey Reports would include the following information in addition to the description and Code number of item:-
 - i. Manufacturer's part number.
 - ii. Census number.
 - iii. Source of receipt.
 - iv. Date of purchase.
 - v. Book Value/Assessed value(in case of sub-assets)
 - vi. No. of years equipment has been in actual use.

- vii. Repair history.
 - viii. Reasons for return.
 - ix. Present condition.
 - x. Details of the parts (if any) that should be retrieved before capital item is disposed of.
- e. The Board will give a certificate that the capital item under survey has become unserviceable and beyond economical repair and that this is due to fair wear and tear. If the Board is of the opinion that the equipment or item has become unserviceable or beyond economic repair due to misuse, no disposal action will be taken until the matter has been investigated and responsibility fixed for the misuse. Further disposal will only be taken after the written order to this effect has been given by the Competent Authority.

40.2.6 Condemnation of Vehicles & Transport equipments

- a. **Procedure for condemnation covered under replacement policy:** User group shall identify the vehicles for condemnation as per condemnation policy. The required data will be filled in part “A” and part “B” of the condemnation proforma placed at Annexure “C”. These documents shall thereafter be submitted to attached Finance for examination/concurrence of the proposal and verification of depreciated cost before putting up to the Standing condemnation and disposal board to be constituted as per guidelines given in Para 40.2.1. The Board shall, wherever feasible, physically inspect individual vehicle/transport equipment and record its recommendations under Part “C” of Annexure “C”. The Board will ensure that all the necessary information/data are filled in before any case is put up for approval to the Competent Authority.
- b. **Procedure for condemnation of accidental / pre-mature cases**
Whenever an accident takes place, the concerned key executive should immediately appoint an Enquiry Board. This Board must give its recommendations within 60 days. Simultaneously the accidental vehicle should be sent to workshop for repairs. If it is found that it is beyond economical repair, then the necessary data should be filled in part “A” and part “B” of the condemnation proforma and should be put up to the Standing Condemnation and disposal board after concurrence by attached Finance. However, the condemnation process should be de-linked from the follow up actions of the enquiry report.

Vehicles which have become obsolete because of non-availability of spares, exorbitant cost of repairs and uneconomical operational cost, shall be identified by the User Department and put to the Standing Condemnation and disposal board. The Board while recommending the case for condemnation should ensure that all the necessary data/information is complete.

c. The approved life of Transport vehicles/equipment is as under

Sl.No.	Category	No. of years	Kms/Hrs. Run
		(Whichever is earlier)	
1.	Jeep (Petrol)	7	1,20,000 Kms
2.	Jeep (Diesel)	7	1,60,000 Kms
3.	Cars	10	1,30,000 Kms
4.	Ambulance (Petrol) (on Jeep chassis)	7	1,20,000 Kms
5.	Ambulance (Diesel) (on Jeep chassis)	7	1,60,000 Kms
6.	Pickup (Petrol)	7	1,20,000 Kms
7.	Pickup (Diesel)	7	1,60,000 Kms
8.	Mini Bus (Diesel)	7	1,60,000 Kms
9.	Power Wagon (Diesel)	7	1,00,000 Kms
10.	Station Wagon (Diesel)	7	1,20,000 Kms
11.	Ambulance Van (Diesel)	7	1,60,000 Kms
12.	Cash Vans (Diesel)	7	1,60,000 Kms
13.	Buses	7	3,20,000 Kms
14.	Pole Carriers	8	3,20,000 Kms
15.	Trucks	8	3,20,000 Kms
16.	Water Tankers/Oil Tankers (12 Ton)	8	3,20,000 Kms
17.	Prime Movers/Trailer (40/45 T)	10	3,20,000 Kms
18.	Prime Movers/Trailer (25/30 T)	10	3,20,000 Kms
19.	Prime Movers/Trailer (15/20 T)	10	3,20,000 Kms
20.	Dumper	10	3,20,000 Kms
21.	Crawler Tractors	10	12,000 Hrs.
22.	Bull Dozers	10	12,000 Hrs.
23.	Auto Graders	10	12,000 Hrs.
24.	Mobile Cranes (Upto 7 T)	10	10,000 Hrs.
25.	Mobile Cranes (Upto 16 T)	10	10,000 Hrs.
26.	Mobile Cranes (Upto 30 T)	10	10,000 Hrs.
27.	Mobile Cranes (35 to 40 T)	10	10,000 Hrs.
28.	Mobile Cranes (Above 40 T)	10	10,000 Hrs.
29.	Crawler Cranes (Upto 30 T)	10	10,000 Hrs.
30.	Crawler Cranes (Upto 10 T and above)	10	10,000 Hrs.
31.	Pneumatic Tractor	10	10,000 Hrs.
32.	Road Roller	10	10,000 Hrs.
33.	Trailers	10	-

34.	Truck (upto 12 T)	8	3,20,000 Kms.
35.	Water Tankers (upto 12 T)	8	3,20,000 Kms.
36.	Rig Chassis	8	10,000 Hrs.
37.	Labour/Normal Van (on TATA chassis)	8	3,20,000 Kms.
38.	Forklifters	10	10,000 Hrs.
39.	Oil Field Trucks	10	3,20,000 Kms.
40.	Motor Cycle	7	80,000 Kms.
41.	Fire Tenders	8	3,20,000 Kms.
		(Whichever is earlier)	

- d. User Department should properly maintain the log books and History Sheets with respect to daily Kms./Hrs. run for each vehicle/equipment so that condemnation performance is complete in all respects
- e. Transfer of vehicles/ equipments at the time of transfer of vehicle/equipment, all the relevant documents/data concerning the vehicle/equipment should also be despatched by the transferor. The transferee Department should ensure receipt of these documents.
- f. Cannibalisation of spare parts: No cannibalisation of spare parts should be done from the vehicles due for condemnation. For cases where cannibalisation is un-avoidable due to valid reasons, this should be allowed under specific written orders of the officer-in-charge of the work shop. A copy of the permission and list of items removed should be enclosed along with the condemnation proposal.

40.2.7 Condemnation of serviceable, Obsolete, Unwanted and unused Surplus Capital Items, Stores and Spare

- a. Surplus and obsolete stocks are usually created by changes in designs and methods of manufacture, changes in the drilling and projection policies, unforeseen reduction in their requirement or a wrong decision by some part of the management. These dormant stocks must be put to some alternative use or disposed of promptly to enable optimum use of capital and storage space. The user group should regularly identify such items and declare them as surplus.
- b. The user will first take approval from concerned key executive for declaring item as surplus at work centre level. After the approval, the material will be transferred to surplus location by the stock holder in ICE system using T code MB1B. This list will then be circulated across organisation through ONGC reports.
- c. If no requirement of material received from any other user group within a period of 2 month, the user will obtain another approval from concerned key executive for sending these items for disposal. No specific recommendations are required from standing condemnation and disposal

board in this case. Such items shall remain in the stock (in ICE system) till the decision to dispose them of is finalised. Once decision is taken to dispose of these items, the user will then create reservation in system with movement type 929 for Stores and Spares and in case of capital items, ACN will be prepared. The material will then be sent to salvage yard for disposal. The salvage yard will receive the material at 5% value(book value) for Stores and Spares and 2% value(book value) for Capital items.

- d. In addition, a separate procedure for regular action on non moving inventory has been identified in Inventory Management Manual Section 41.
- e. Items meant for disposal should be kept in isolated place and should be identified separately.

40.2.8 Condemnation in cases where disposal not possible before getting replacement

- a. Where the entire condemned items cannot be returned before getting replacement and the condemnation is considered necessary for processing the proposal for purchase of replacement items, formal condemnation should not be resorted to in the first instance.
- b. In such cases assessment of the condition of the items may be made by the Standing Condemnation and disposal board for the purpose of getting replacement. This assessment report should form the basis for processing proposal for replacement. After replacement of the item, the formal condemnation may be done and the entire quantity returned to Salvage Section along with condemnation report in duplicate.

40.2.9 Other provisions on Disposal:

- a. Any capital item except Furniture and Fixture where the gross book value of individual item is upto Rs. 25,000.00 and net book value is less than Rs. 1000.00 can be declared fit for disposal by indenter/user deptt. after obtaining approval of competent authority without referring to Standing Condemnation and disposal board.
- b. The concerned key executive will have full powers to approve conversion of surplus serviceable/used unwanted materials into scrap provided ONGC is not able to dispose such usable material inspite of invitation of tender/e-auction being conducted twice.

40.2.10 Lot formation guidelines for the salvage yard

- a. Material proposed for condemnation shall be segregated in separate lots(not required in case of rate contracts or buy back by supplier), in accordance with the following guidelines:

- i. For used stores, spares and containers, each lot of materials proposed for condemnation should be formed only with items of similar nature. Each lot of similar items is to be considered as each case. For e.g. (a) Ferrous scraps (b) Non ferrous scraps (c) Rubberised goods (d) Tent equipments, leather goods etc. (e) Auto scraps (f) Tyres and tubes (g) Batteries (h) empty barrels (i) Bearings (j) Drilling Bits (k) Wooden scraps (l) Wire ropes (m) Tubulars and broad categories of lots. The quantity contained in each such lots should be specified in terms of count, measure or weight depending upon the nature of the material. Each lot of scrap materials (i.e. the scrap of metal / steel and wood) should invariably be identified in terms of weight basis.
- ii. For surplus serviceable unwanted stores, each lot will be formed with the item(s) of same classification/specification. For surplus serviceable unwanted spares, each lot will be formed with items of same equipment. Each lot of material made in accordance with the above shall be considered as 'each case'.
- iii. For the used vehicles, each lot proposed for condemnation should be formed with vehicles of same category. Each lot of such same category vehicles is to be considered as 'each case'. For e.g. (a) All Jeeps (b) All cars (c) All type of Cranes (d) All types of Trailers (e) All types of Trucks (f) All pickup and station wagons etc. (g) All shot hold drilling rigs (h) All Seismic and Electro logging Vans (i) All buses (j) All vehicles other than mentioned above, for broad categories of lots.
- iv. For used capital items and equipments, each lot proposed for condemnation should be formed of identical item only. Each lot of identical items is to be considered as 'each case'. The lots can be as (a) Diesel engine (b) Slush pumps (c) Rotary tables (d) Masts and derricks (e) Swivels (f) BOPs and X-Mas trees (g) Crown Blocks (h) travelling blocks (i) Air Compressors (j) Mud and Diesel tanks (k) Any lot of equipment on same analogy as above lots.
- b. Material for condemnation should be arranged in smaller lots, for the convenience of handling and also for attracting better competition. It is not a healthy practice to form bigger lots of material accumulated over a longer period of time.

40.2.11 Returning condemned materials to salvage section

- a. After approval of the recommendations of Standing Condemnation and disposal board, the concerned indenting/user deptt. will send for disposal, the condemned materials to the Salvage Section along with two copies of the approved condemnation report (proceedings of Standing Condemnation and disposal board, wherever held) along with relevant documents such as ACN(Asset Condemnation Note), in case of Capital items, prepared in the ICE system.

- b. For capital items, the asset number of the items returned should tally with the asset numbers indicated in condemnation report.
- c. In case of vehicles / transport equipments, after approval of the recommendations of Standing Condemnation and disposal board by Competent Authority, the concerned Logistics Department shall issue the condemnation order. The condemned vehicle should be returned to Salvage section with proper documentation including non-use certificate from the concerned Road Transport Authorities, besides copies of approved condemnation report and ACN(Asset Condemnation Note) prepared in the ICE system. Wherever necessary, the renewal of non-use certificate should be obtained from the Road Transport Authority by the Transport Department.
- d. On physical transfer of Capital items and Vehicle along with necessary documents as mentioned above to the Salvage section, the concerned indenting/user section shall send a copy of the condemnation report, duly acknowledged by salvage section, to the concerned Asset Accounting cell. Accordingly, the condemned materials which have been physically received by the Salvage section should be removed from the material master of the concerned indenter/user, with immediate effect. All concerned sections should take necessary actions on priority, to ensure that this process would not take more than 15 days from the date of handing over of the condemned materials.
- e. In case of items being sold on as-is-where-is basis, the condemned materials should be removed from the Asset Master of the concerned indenter/user by asset accounting section on the basis of a custodian certificate by the indenter/user.

40.3 Setting of reserve price and preferred methods of disposal

40.3.1 Procedure for setting of Reserve price

(MM/26/2017 dated 21.06.2017)

For items under category 40.1.2(a), (b) and (e), A Standing condemnation and disposal board constituted as per clause 40.2.1 shall fix the reserve price. Reserve price will be set as follows:

- i. Information for items being considered for disposal can be released to MSTC and information sought on recent disposal price of similar items which will then be utilized for fixation of reserve price. A maximum period of 15 days will be provided for MSTC to respond and if no response is received upon expiry of this period, the board can go ahead with its estimation without further delay.
- ii. The Standing condemnation and disposal board will take into account factors like (a) Last disposal rate of similar items from MSTC (b) any market linked index to account for changes in last disposal price (c) condition of the materials under disposal, (d) market utility in

the nearby areas (e) opportunity cost of storing and handling the material for fixing the reserve price and (f) the acquisition value (gross value). The board will try to come up with a realistic reserve price so that the items may be disposed off in one attempt. The team will place on record, duly endorsed by all of them, the basis on which they have fixed the reserve price and same will be placed in sealed cover to be submitted for approval of Competent Authority as per BDP.

b. For items under category 40.1.2(c) and 40.1.2(d), reserve price will be set equal to higher of book value or 2% of Gross value of the item available with the Asset accounting cell/Finance.

c. Deleted, as the same gets covered under 40.3.1 (a) above.

d. For items under category 40.1.2(a), (b) and (e), the reserve price will be entered in the MSTC system by the Competent Authority and all relevant papers kept with in charge MM, after approval of Competent Authority..

e. For items under category 40.1.2 (c) and (d), the reserve price will be entered in the MSTC system by the concerned warehouse in-charge. However such fixation of reserve price will not need any approval of concerned key executive..

f. The estimation/setting up of reserve price as above is to simply facilitate the booting-up of MSTC system(in case of e-auction through MSTC)/tendering(in case of manual tendering). However the material/lots will be sold to H-1 bidder(s) only, received against the e-auction/tender respectively.

40.3.2 Disposal of regular disposal items such as empty barrels, burnt oil ,casing pipe thread protectors and all types of scrap like wooden, auto, electrical, tyres and tubes, batteries, electrical wires and cables glass leather, canes, wire ropes etc. which have got specific life period

a. In charge MM has full power to enter into a rate contract with firm for periodical disposal of items categorized as Sec 40.1.2(a).

b. Rate contracts or return to supplier (on terms agreed upon at time of procurement) shall be the most preferred way of disposing such material and efforts must be made to establish rate contracts or agreement with suppliers for return for timely disposal of such materials.

c. In case such arrangements as identified above are not available, disposal will take place through e-auction process as detailed in Section 40.4.4. If e-auction process cannot be conducted due to any reason, the disposal should be conducted through tendering, with the approval of concerned key executive. In this respect, a decision should also be taken as to whether such tendering to be done departmentally or through MSTC, after

considering which option is more feasible and convenient for quick disposal and advantageous to the Corporation

40.3.3 Disposal of rest of the items:

- a. Return to supplier (agreed upon at time of procurement) shall be the most preferred way of disposing such items.
- b. In case such arrangements as identified above are not available, disposal will take place through e-auction process. If e-auction process cannot be conducted due to any reason, the disposal should be conducted through tendering, with the approval of concerned key executive. In this respect, a decision should also be taken as to whether such tendering to be done departmentally or through MSTC, after considering which option is more feasible and convenient for quick disposal and advantageous to the Corporation.
- c. For disposal of items identified under 40.1.2(e), in addition to the normal methods of disposal through tendering, auction or through MSTC (& e-auction), efforts should also be made for disposal of material by specific contracts / approaches with Govt. organisations / PSUs who are the probable users of such items - such as Oil India, Defence and Irrigation Depts. in case of drilling, production and auto (Imported) items and Indian Universities in case of Geo-Service equipments. In case of auto (indigenous) and engineering items, attempts may also be made to see the surplus items are required to the manufacturers / authorised dealers / stockists of the concerned equipment / spares.

40.3.4 Special conditions for disposal of e-waste

- a. E-waste will be disposed of in accordance with e-waste (management and handling) rules issued by the ministry of Environment and forests.
- b. E-waste should be disposed through authorised collection centres, or registered dismantler or recycler or return to the producer through its pick up or take back services or through its collection points.
- c. Central rate contracts shall be established by corporate MM, Delhi and utilized with such authorised collection centres, or registered dismantler or recycler for disposal of e-waste.
- d. Agreement regarding return to producer shall be made at time of procurement of such material.
- e. The disposal yard will maintain records of e-waste generated as per ministry issued rules and such records need to be made available for scrutiny to State Pollution Control Boards whenever demanded.

40.3.5 Special conditions for disposal of hazardous material

- a. The Hazardous Wastes(Management, Handling and Trans-boundary Movement) Rules as issued by Ministry of Environment and Forest shall be adhered to in respect of disposal of hazardous material.
- b. Central rate contracts shall be established by Corporate MM, Delhi and utilized with registered recycler or re-conditioner for disposal of hazardous materials.
- c. If possible, arrangement shall be made with dealer/ manufacturer/ importer/ assembler at time of procurement for disposal of hazardous materials at the end of its useful life.
- d. The hazardous waste is required to be sold / auctioned only to units registered by Central Pollution Control Board (CPCB).
- e. Along with the tender documents the purchaser of hazardous waste are required to submit following clearing certificates:
 - i) Requisite certification of registration from central pollution control board.
 - ii) An authorization from the pollution control board of the state where the hazardous waste is located.
 - iii) “no objection “certificate from the pollution control board of the state where the facility for treatment, storage and disposal of hazardous wastes is located in case of transport of hazardous wastes to such facility from another state
- f. Further, the used/burnt oil will be sold only to the Re-refiners registered with the Directorate of Industries of the State Government/Union territory Administrations. The disposal of used / burnt oil should be carried out on “litre” basis only.

40.4 Methods of disposal

40.4.1 Stores & spares segregated for disposal must be continuously checked to explore the possibility of their alternative use. If they can be so used there may be saving of the difference between price of the new materials and scrap. Alternative use of the scrap and unserviceable stores and spares may be found by using imagination and ingenuity. The Respective In-charges of the departments shall visit the salvage yard where the material for disposal is stored at least once in a month. These visits may suggest to them the alternative use of the material awaiting disposal. These visits will also indicate to them the sources which have created the disposable material. This may assist in minimising the generation of salvage and scrap/better material planning and control for future.

Once the item(s) has/have been condemned, sent to the salvage yard and tenders for their disposal invited, these will not be withdrawn from disposal without prior approval of the concerned Key Executive.

40.4.2 Disposal by returning to suppliers:

- a. Often scrap/metals waste or containers are in such a condition that they can be returned to the suppliers either as an out-right sale or as a deposit on future purchases. Non-ferrous metals such as copper or aluminium in some instances may be returned to the suppliers in “TOLL” basis i.e. the suppliers may accept the return of certain quantity of metal to be reprocessed into new metal, the quantity of new metal returned by the suppliers being slightly less because of the melting and fabricating losses. Such arrangements may be made at the time of initial purchase.

40.4.3 Sale by contract with dealers of brokers:

- a. Rate Contract to remove regular disposal items such as empty barrels, burnt oil ,casing pipe thread protectors and all types of scrap like wooden, auto, electrical, tyres and tubes, batteries, electrical wires and cables glass leather, canes, wire ropes etc. which have got specific life period at periodic intervals may be entered into. This contract could be a fixed price contract or a varying price contract linked with the market price at the time of removal. The contract will be finalised by calling tenders, if required.

a. Disposal of materials through open tenders

Disposal of material through open tender shall be the least preferred method for disposal, following rate contract, return to supplier and e-auction. The stores and spares and scrap intended to be sold by inviting open tenders will be given wide publicity in newspapers both in English and in local language, depending upon the nature of stores, place where they are located and the value of items to be disposed of. Likely purchasers will also be informed through letters. A list of likely purchasers would also be maintained. Names of all persons to whom tender forms are issued will be entered in the Register of “Tender for Disposal of Stores”.

- b. In an invitation to tender, definite date and time will be prescribed for receipt of tenders and their opening. All tenderers will be instructed to deliver two copies of tenders in a sealed envelope on or before the specified closing date and time. It will be made clear to the tenderers that tenders or modification to tenders after closing time and date will not be considered. The envelope must show on the outside, the Tender number and due date. If the tenders are sent by post, these should be sent by Registered Post. No tender form will be issued on the date fixed for opening of tenders.
- c. All bids received after the notified time and date of closing of tenders will be treated as late tenders and will not be considered. Such late tenders, after recording with the concerned Materials Management officer, will be returned un-opened to the concerned bidder(s) within a period of seven days from the due date of opening of tenders.
- d. Unsolicited alterations or modifications of bids received after the notified time and date of closing of the tenders shall not be entertained

e. Earnest Money

The tenderer will be asked to send earnest money with their offers with reference to their quoted price in the form of Demand Draft or Bank guarantee issued from any of the Nationalised Bank/ Scheduled Bank as per following slabs:-

Quoted Value (Rs)	Amount of EMD (Rs)
Upto Rs. 50,000.00	5% of quoted value.
Over Rs. 50,000.00	Rs. 2,500/- + 2.5% of the quoted price in excess of Rs. 50,000.00

Offer not received with full amount of earnest money will be summarily rejected. The earnest money of successful tenderers will be retained as security deposit for due performance of the contract and the earnest money of the remaining tenderers will be refunded within seven days of the issue of the Sale Letter.

For cases dealt by MSTC, EMD shall be finalised as per the details stipulated in the agreement between ONGC and MSTC.

- f. In all 'Invitation to Tenders', it must be specifically stated that the goods are sold on the "as is where is" basis and if the tender is accepted, the buyer will remove the goods with all faults and notwithstanding any error or mis-statement of description, measurement, quantity, weight, enumeration or otherwise and without question on the part of the buyers, that no claim will be made against ONGC, nor shall any allowance be made on account of any such fault, mis-statement or error. Buyer will also be informed that he should satisfy himself thoroughly as to what is offered for sale before submitting his tender. He may at his own cost inspect the goods prior to tender and shall be deemed (whether or not such inspection shall have in fact taken place) to have had notice of all such faults, error and mis-statement, which he might discover on inspection and shall not be entitled for any compensation or damage on account of such defects, faults, errors and mis-statements.
- g. All tenders will be received by Tender Receiving Officer (not below E-0 level). Tenders received will be handed over to the tender opening officers (one each from MM and F&A deptt. not below E-0 level for opening of the same in public on specified date. Tenders received after due date and time of the opening of tenders will be treated as late tenders.
- h. A comparative statement will be prepared in which all tenders received in time will be entered. The comparative statement will be checked and signed by the officer of MM deptt. as per limits indicated below:-

	Tender value (Rs)	Officers
1	Upto 7.5 lakhs	MM Officer

2	Above 7.5 lakhs to 35 lakhs	Sr. MM Officer
3	Above 35 lakhs to 75 lakhs	Dy. Manager(MM)
4	Above 75 lakhs	Manager(MM)

- i. All comparative statements for tender exceeding the value of Rs. 50,000/- will be referred to Finance for scrutiny. The monetary limits of different level of Finance and Accounts Officers for checking the comparative statements will be as under:-

1	Upto Rs. 7.5 lakhs	F&A Officer
2	Above Rs. 7.5 lakhs to Rs. 35 lakhs	Sr. F&A Officer
3	Above Rs. 35 lakhs to Rs. 75 lakhs	Dy. Manager(F&A)
4	Above Rs. 75 lakhs	Manager(F&A)

j. **Acceptance of offers**

The comparative statement with detailed proposal will be submitted to the Competent Authority referred in BDP PART III(C) Clause MD: Powers of Discarding and Disposal. Normally the highest tender will be accepted. However, for reasons to be recorded in writing, the Competent Authority, in consultation with Finance, may accept a tender other than the highest. For acceptance of offers below reserve price, BDP PART III(C) Clause MD: Powers of Discarding and Disposal will be referred to.

- k. On acceptance of the tender, a registered acknowledgement due "Sale Letter" will be issued to the tenderer conveying acceptance of the offer and requiring the tenderer to deposit the value of the sale within stipulated period, along with one copy of the sale letter, duly accepted. It will be made clear that the quantity/weight indicated is approximate and may vary at the time of actual delivery consequent upon actual counting/ measurement/ weighing.

Detailed instructions regarding the method of deposit will be given in the Sale Letter. Normally, the stipulated period within which sale value will be deposited would be as under but the Competent Authority, in exceptional circumstances, may extend the period for reasons to be recorded in writing.

Not exceeding Rs. 50,000.00 - Within **15 days** of the date of issue of Sale letter.

Exceeding Rs. 50,000.00 but upto Rs. 2,50,000.00 - Within **21 days** of the date of issue of Sale letter.

Exceeding Rs. 2,50,000.00 - Within **30 days** of the date of issue of Sale letter.

- I. Following provisions will be made in "Sale Letter":

Sale Value

It should be noted that failure to deposit entire sale value within stipulated period will attract penalty @ 1% of sale value per week subject to a maximum of 5% of sale value by the buyer. The sale letter will be treated as cancelled and earnest money deposit forfeited in case the buyer fails to deposit sale value within five weeks from the date specified for such a period.

Note (Not to be incorporated in tender documents)

The Competent Authority, after imposing penalty as contemplated above, will have discretion to release the material to defaulting party without cancelling the Sale Letter provided such party has deposited full sale value of the materials even after five weeks of specified date but within three months of the specified period.

- m. For reasons to be recorded in writing, the Competent Authority, in consultation with associate Finance, will be empowered to waive recovery of penalty imposed on the buyer for delay in depositing sale value.
- n. A copy of the sale order will be endorsed to the attached Finance and the MM officer holding the stores.
- o. A copy of the sale order will also be endorsed to the finance officer in-charge stores ledger section along with the statement of the material sold. The statement will interalia incorporate the following particulars for condemned capital items sold.
 - i) Description of capital items.
 - ii) Census number.
 - iii) Reference to condemnation report (every condemnation report must bear a particular control number and date for easy links).
 - iv) Depts./Office/Officer returning the material.
 - v) Return voucher number and date.

- p. The buyer will also be informed that the earnest money deposited will be adjusted against the security deposit and default in payment of sale value within the stipulated period would be considered as a breach of contract and that Oil & Natural Gas Corporation may forfeit the amount of earnest money and security deposit apart from cancelling the contract by serving notice in writing to the buyer and resell the stores as and when the ONGC considers best and recover from the buyer any loss incurred in such a resale. The ONGC will also be entitled to the cost of storage/ware-housing, removal of stores which are to be resold and any expenses incurred in the sale of the stores. Any gain on resale will be retained by the ONGC.

q. Delivery order

- i) After the buyer has deposited the sale value, a "Delivery Order" authorising the buyer to take delivery of stores sold will be issued as per specimen at Annexure 'B'. The 'Delivery Order' would also give the reference of the "Sale Letter" and "Sale Deposit Receipt". The Delivery Order would also lay down a period within which the stores are to be removed. This period would be worked out keeping in view the quantity, weight, bulkiness of the stores sold and other relevant circumstances such as availability of transport, etc. It must be clarified in Delivery Order that if the stores are not removed within the stipulated time, ground rent @ ½% of the sale value per week subject to a maximum of 5% of sale value will be charged. Thereafter the "Sale Letter" and "Delivery Order" will be treated as cancelled and security deposit of the buyer forfeited.
- ii) The Competent authority, after imposing ground rent as contemplated above, will have discretion to release the material to defaulting party without cancelling the Sale Letter.
- iii) For reasons to be recorded in writing, the Competent Authority, in consultation with associate Finance, will have powers to waive levy of ground rent.
- iv) Any deposit of the unsuccessful tenderers will be returned within one week of the sale of tendered material/stores. It will not be necessary to inform tenderers the reason why their tenders have not been accepted. No correspondence shall be entertained in this regard.
- v) Copies of the Delivery Order will be endorsed to the MM Officer holding stores, concerned Finance & Accounts User department and concerned Security Officer. The MM officer will issue the Items from Disposal yard sold to the buyer in the presence of security personnel and post in the ICE system on the strength of the Delivery Order signed by the contractor in token of having removed the items.

40.4.4 E-Auction Process (currently being conducted through MSTC)

For e-auction for disposal of materials currently being conducted through MSTC, the following provisions will be applicable, which are in line with the process followed by MSTC:

a. E-Auction Documentation:

Lists of different lots for disposal, along with details of all items, specifications and terms, will be sent by ONGC to MSTC preferably by E-Mail (followed by hardcopies) for faster preparation of E-Auction Catalogue and posting the 'lot details' by MSTC on the E-Auction Website. Applicable taxes and duties to be borne by the respective bidders including the applicability of acceptance of C-form by ONGC, issued by prospective bidders, in case of inter-state transactions, will be mentioned in the E-auction catalogue as per applicability at the respective work centres. These applicable taxes and duties at the respective work centres need to be informed by the concerned In-charge Warehouse/disposal to MSTC, along with details of items for suitably incorporating by MSTC in the respective e-auction catalogues for better information of prospective bidders for their clarity.

b. E-Auction Bidding Process:

- i) EMD: The EMD shall be as decided by the Standing Condemnation and Disposal board.
- ii) Reserve Price: It is required to enter the 'Reserve Price' values of each lot in the system, through password security system, at least two working days prior to the commencement date of e-auction bidding. The system will retain the Reserve Price for comparing the bids internally during Live auction, but it will not be displayed or accessed by anyone. Upon closing of E-Auction, the system will readily ascertain whether H1 bid is equal to or above the RP value and confirm sale order against the particular bid and post it automatically.
- iii) Lower limit for acceptance of H-1 bid, below reserve price: It is also required to feed a lower limit in the system (which is 50%), for acceptance of H-1 bid (below reserve price) on 'Subject to Approval' (STA) basis with concurrence of finance, in the event of not receiving any bid value more than the reserve price. However, the bids below the said lower limit will be rejected. Upon closing of the E-Auction, the bids crossing the specified lower limit will be registered as 'bids on STA basis' in the system. These bids will be blocked for a limited specified period, before expiry of which sale order is to be confirmed on highest bid.
- iv) All bids will be deemed to be for materials on 'As is where is' basis and subject to prior inspection by the bidders.

- v) Once the bidding starts, the H-1 bid at any point of time will always be displayed on the screen, without showing the name of the H-1 bidder.
- vi) Any time during e-auction, the bidders as well as the dealing officials of ONGC can see the bid history of the last 10 bids.
- vii) Immediately after closing of e-auction, the bidders can see the result online on the website, which will show details of lots won by them on 'confirmed' or 'STA' basis.

c. Duration Of E-Bidding:

'e-bidding' will be held initially for four hours, with a provision for auto extension of closing time by 8 minutes every time the last H-1 bid is received within 8 minutes of the predetermined or extended Closing Time. This process will continue till the last H-1 bid remains unimproved for a minimum period of 8 (eight) minutes.

d. Monitoring/Witnessing Of E-Auction, By ONGC :

The dealing officer shall witness & monitor the 'live e-auction process'. He shall also download 'bid history' of last 10 bids for all lots and the 'complete Bid Sheets' (with names of the H-1 bidders and the status as to whether Sold/STA/Rejected etc.) from the website, on completion of the 'live e-auction process'.

e. Issue of sale order, delivery order, delivery, etc.

- i) For the cases where H-1 bids are equal to or more than the reserve price, 'Sale Intimation Letter' will be generated automatically in the system and will be issued by MSTC to the H-1 bidders for each lot, requesting to deposit 10% Security Deposit, within 7(seven) days. No approvals are required by MSTC from ONGC in such cases.
- ii) In cases where H-1 bid is less than the reserve price, MSTC should issue the 'Sale Intimation Letter', only after approval by the Competent Authority of ONGC (as per BDP). In case the H1 bid is within 15% of the Reserve price, no specific approval/financial concurrence will be required from the Competent Authority and STA approval will be fed in the MSTC website straight away. Concerned officials will make all efforts to convey the online confirmation of the approval to MSTC at the earliest, the time for which should not exceed more than 7 (seven) working days.
- iii) Immediately on receipt of the copy of Sale Order/Delivery Order issued by MSTC, concerned dealing officer shall generate a confirmatory Sale Order/Delivery Order in the ICE system for the purpose of regularization and also for facilitating future activities like accounting of sale proceeds, delivery of materials etc.

- iv) On receipt of Security Deposit from the bidder, sale order is issued by MSTC requesting the Buyer to submit the sale value with applicable duties / taxes within 10 days. (Security Deposit will be retained by MSTC, which will be refunded to the Buyer on completion of the contract and receipt of NOC from ONGC, within 15 days).
- v) After getting the payment of full sale value from the buyer, delivery order will be issued by MSTC. Payments will be forwarded by MSTC to ONGC after deduction of their Service Charges (as per agreement). ONGC will allow delivery of material to the buyer only after receipt of payment, of full sale value, all applicable/ balance due charges like ground rent, if any and also any balance taxes/duties, still unpaid to MSTC, at the time of issue of delivery order by MSTC, against production of Photo-ID-Card issued by MSTC (containing buyer's photograph and specimen signature). Alternatively, Photo-ID-Card holder can authorize his representative along with the Photo-ID-Card (or a Notarized copy of the same) to take delivery of materials. Material delivery will be done in the presence of security personnel to avoid pilferage, if any.
- f. For various activities related to e-auction, the respective procedure / process of MSTC will be applicable. However, for various internal activities of ONGC (like fixation of Reserve Price, Competent Authority for approval, etc,) the relevant provisions of Disposal procedure, BDP and other Instructions issued from time to time, shall be applicable, as in case of non e-auction cases.

40.4.5 Disposal of Packing Cases/Cans and Empty POL Barrels and condemned furniture to employees

Packing cases/cans and empty POL barrels surplus to the requirement of ONGC may be sold to the employees of ONGC provided the price of such materials is fixed in consultation with the attached Finance and proper account of such sales is maintained. In addition, the condemned furniture may also be sold to the employees at price to be fixed in consultation with attached Finance. Proper accounting of such condemned furniture will be ensured by all concerned.

40.4.6 Disposal of bits

- (a) The bits for disposal will be kept duly cleaned, oiled, greased and arranged in suitable lots as per sizes.
- (b) Preference would be given to the Govt. departments/Govt. of India Undertakings for purchase of these bits. Reserve price of these bits will be set by the Standing Condemnation and disposal board
- (c) Bits, when either these are not required by Govt.Deptt./Govt.of India Undertakings or when the price assessed by board of officers is not acceptable to them, will be disposed of to private parties through other

disposal methods such as E-auction and Open tenders. For disposal of bits to private parties, the reserve price will be fixed by Standing Condemnation and disposal board

(d) Diamond drill bits

The used/damaged diamond drill bits will be given to the manufacturer on whom supply orders are placed for new bits. The manufacturers will retrieve good diamonds out of the used/damaged bits for refitting the same in new bits and will give value reduction for diamonds so retrieved by them. A suitable clause will accordingly be incorporated in all future NIT and Supply Orders for the purchase of new bits. Details of used/damaged diamond bits will be intimated to the Purchase Authority so as to enable them to make suitable provisions in NITs and Supply Order(s).

40.4.7 Disposal of used 'Lead Acid Batteries'

- (a) As per 'The Batteries (Management and Handling) Rules, 2001', used lead acid batteries are to be disposed only through depositing with the dealer/ manufacturer/ importer/ assembler/ registered recycler/ re-conditioner of the lead acid batteries or at the designated collection centres of used batteries.
- (b) Disposal through 'buy-back' of the used batteries by the supplier of new batteries
 - i. When new batteries are procured, for replacing the used and unserviceable batteries of similar type and specifications, following procedure shall be adopted for disposal:
 - ii. Condemnation of the used and unserviceable batteries shall be done, based on the certificate issued by user department. However, fixing 'Reserve Price' shall not be necessary for disposal of such used unserviceable batteries

(MM/42/2018 dated 04.10.2018)

- iii. In tenders for procurement of new batteries, suitable provisions should be incorporated for insisting the bidder to quote for 'buy-back' of the used batteries of similar type and specifications. In such cases, evaluation of offers for new batteries should be carried out based on "Net cost" for each battery (arrived at after deducting the value offered for each used battery from the total cost quoted for new battery).
- iv. Accordingly, the Purchase Order placed for new batteries shall indicate the 'Net Amount' payable after deducting the value offered for used batteries. Further, for the purpose of accounting and discharging Tax liabilities, a separate 'Sale Letter' should be issued for the used batteries (by the same authority who issued Purchase Order for new batteries), by keeping provisions for adjusting the

deducted amount against the supplies (of new batteries) as the value for the used batteries. The quote from bidder should indicate sale price of new battery and purchase price of old battery so that ONGC can issue invoice and pay VAT, accordingly.

- v. On receipt of new batteries and adjustment of value for used batteries (in the payment), concerned Purchase Officer shall issue a 'Delivery Order' (addressed to indenter, with copies endorsed to Vendor and the concerned sections - viz. Finance, Disposal and Security), so that vendor can collect the used batteries from the locations.
- vi. Accordingly, indenter shall hand over the used batteries to the vendor against proper receipt and Gate Pass (issued on the authority of the Delivery Order).
- vii. Indenter shall forward copies of receipt obtained from the vendor to Finance and Disposal sections for regularization of the sales proceeds and also for inclusion in the returns to be filed with Sales Tax authorities.
- viii. In all other cases, where disposal of used and unserviceable batteries cannot be done through the 'buy-back' arrangement as mentioned in above para, disposal as per normal procedure should be done through registered recyclers only. A copy of valid registration certificate, issued by Ministry of Environment and Forest, or any officer/agency designated by the Ministry, should be obtained from the participants for such tender/auction.

40.4.8 Disposal of items where differential excise or customs duty has to be paid

- (a) In cases where CENVAT credit benefit were availed on input or capital goods and after the use the same are removed /sold as scrap, In-charge MM will take care of payment of excise under CENVAT Credit rule 3(5A and B). Further in case of imported goods cleared on concessional rate of custom duty and without use same are declared as scrap, custom duty shall be applicable on such imported material on original price of the imported item w.e.f. the date of importation. I/c MM will take care of such duty payment at the time of disposal.
- (b) The amount of duties to be paid back shall have no bearing on the reserve price or disposal of items
- (c) The salvage section will maintain a record of such items which are disposed of and an annual report on the same shall be presented to the concerned key executive as a feedback to ensure better estimation of purchase quantities.

(MM/04/2015 dated 28.04.2015)

40.4.9 Disposal of scrap and dismantled facilities generated during execution of Redevelopment projects and other LSTK contracts in Onshore

- (a) In case of revamping/ redevelopment projects, the responsibility of removal and disposal of scrap lies with the LSTK contractor.
- (b) Concerned user group shall be required to identify the items/equipment along with quantity that cannot be re-used and has to be disposed of as scrap. The list of such items/equipments shall be mentioned in the tender document. The items/equipments which are to be dismantled and disposed off shall be declared as unserviceable and beyond economic repair.
- (c) The removal of all discarded items shall be included as an integral part of the scope of work in the tender. Further the estimated value of condemned/ discarded material needs to be indicated in the tender document with a note that this amount shall be used for the purpose of payment of VAT/CST. Bidder to declare whether they will provide form C for the Condemned/ Discarded material. Based on the undertaking VAT/CST shall be recovered from the successful bidder.

41 Inventory Management

41.1 Liquidation of Non Moving inventory

(MM/23/2017 dated 21.03.2017)

41.1.1 Non-Moving Inventories:

The Inventories (Stores, Spares & Capital Items on Stock) that have not been consumed at location level (e.g. Mumbai, Ahmedabad, Rajahmundry etc.), for 4 years period or more as on reporting date, will be treated as 'Non-Moving' inventories. The non-moving inventory figures shall be utilized for making provisions in the Balance Sheet.

41.1.2 Slow Moving Inventories:

The inventories (Stores, Spares & Capital items on Stock) that have not been consumed at location level, for 2 years period as on reporting date, will be treated as 'Slow Moving' inventories.

For the purpose of exercising effective control on inventory, concerned work centres shall work on the list of slow-moving inventories, to liquidate with an aim to prevent build-up of surplus and obsolete inventory. Corporate Inventory Management will monitor and advise the work centres on quarterly basis.

41.1.3 In cases where the material has not consumed for more than two years of receipt, the concerned work centre must certify its shelf life and submit the action plan to concerned Functional Director for utilization of material in due course to prevent compounding to non-moving block.

41.1.4 Matcodes of Slow Moving items, irrespective of stock value, will be blocked in ICE system for procurement. The authority for removal of flag for procurement shall rest with the Functional Director, on need basis.

41.1.5 Where consumption of material which is part of Non Moving inventory, has taken place during the year, such materials will be taken out from Non Moving Inventory at the end of respective quarter.

41.1.6 ICE Team will run the flagging programme of Non Moving and Slow Moving inventory at the end of each quarter, based on 4 years / 2 years criteria respectively.

41.1.7 For the purpose of tracking & liquidation of unwanted inventory, slow moving inventory will be identified separately for each work centre. It will consist of items lying in inventory for over **2 years** (excluding items identified as insurance spares, which need to be kept in stock for emergency purposes beyond **2 years**).

- 41.1.8** At the beginning of each financial year, the Corporate Inventory Management Team will release time norms and cut-off age for disposal of aged inventory. The cut-off age will be brought down to **2 years** in line with the age criteria of slow-moving inventory in subsequent years.
- 41.1.9** The work centers will be provided a time period not more than 4 months, to bring out any discrepancies in the report and update the same in ICE system. The work centres should also find avenues for alternate utilization of such items, within this time period.
- 41.1.10** Upon expiry of the time period, the non moving items at each work centre will be moved to surplus storage location created in ICE system and a report of such surplus items will be circulated to all work centers across ONGC for potential usage of inventory. A copy of the same will be uploaded on ONGC reports portal by the inventory management team at each work centre. These items will be blocked for further procurement at the respective work centers.
- 41.1.11** All the work centers are provided a time period of not more than 4 months (exact time period to be notified by CIM) to raise STOs and receive the required material from other work centre, having non-moving items.
- 41.1.12** Latest by 15th of December, the items still remaining as surplus will be identified for initiation of disposal action. Action for disposal of such items should be initiated at the earliest and such items will then be moved to the disposal location. These items will not be written off from the ICE system till the action for disposal has been initiated.
- 41.1.13** Report in business warehouse module will be generated by the Inventory management team on 1st of October each year for each work centre providing details on items which will become non moving inventory if not consumed within the next 6 months. This report will be sent to concerned key executive, Chief MM and Head-Corporate Inventory Management so that they may take appropriate actions for utilization of such material.
- 41.1.14** Report in business warehouse module will be generated by the respective Inventory management team in 1st week of April each year for each work centre, providing details on slow moving items and appropriate action for utilization of such material to be taken by concerned.

41.2 Setting of Inventory levels

41.2.1 Introduction

- a) The inventory management team should identify items at work centre and establish inventory levels such as Safety stock, re-order point and economic order quantity for maintaining optimum levels of inventory.
- b) Typically, items which have a reasonably predictable consumption and stable lead time should be considered for setting of levels.

- c) Annual rate contracts will need to be established for such items clearly specifying the minimum order quantity that will need to be placed in each order and fixed lead time for the supplier to provide the material.

41.2.2 Guidelines for setting of inventory levels

- a) Each work centre should maintain a rolling estimate of expected monthly consumption against each material required by them and update the same in ICE system, every 3 months. A variation of more than 100% as compared to historical consumption shall be brought to the notice of concerned key executive and approval sought before placing in the system
- b) The lead time for such items will be fixed as per ARC in the ICE system
- c) The fixed cost per order will be calculated against each ARC and updated in ICE system.
- d) The inventory holding cost per item will be calculated and updated in ICE system
- e) The safety factor for each item will be calculated on the basis of service level defined for each item. Typically the service levels are as follows but the inventory management team has the flexibility to make appropriate changes wherever required:

Criticality	Service level
Highly critical	99.9%
Critical	99%
Non-critical	95%

- f) The variance in lead time and forecast error can be calculated by ICE on the basis of historical data
- g) On the basis of input provided to the system, the system will generate Economic order quantity. In case, economic order quantity is less than the minimum order size requirements agreed with the supplier, then economic order quantity will be set equal to minimum order size.

41.2.3 Raising the request for re-order

The following two methods can be used to track inventory levels and generate the request for re-order:

- a. Continuous Monitoring
 - i. Under this method, the inventory is continuously tracked and re-order request raised as soon as the inventory level drops to the re-order points
- b. Periodic Monitoring

- i. At the 1st day of each month, inventory in term of stock months(rounded off to lower integer) will be calculated on the basis of expected consumption and inventory level(minus safety stock)
- ii. If stock months of inventory is more than lead time, then no order request will be raised by the ICE system
- iii. If stock months of inventory is equal to lead time, the order request will be raised for quantity equal to the maximum of the following:
 - The expected consumption in the month immediately after the lead time
 - Economic order quantity as defined

41.2.4 Procedure for re-ordering

- h) Against each item, an indenter and MM personnel will be identified and their CPF number recorded for notifications to be sent.
- i) As soon as the inventory levels reach the Reorder point as identified in the system, a PR will be raised by the system with quantity equal to economic order quantity and an automatic message will be sent to the identified indenter and MM personnel to take up the process further
- j) For items identified for auto re-ordering, the purchase order will be placed automatically with the supplier(shortlisted on the basis of ARCs by the respective purchase sections) and automatic information message sent to identified indenter and MM personnel
- k) The values entered into the system for calculation of inventory levels will be assessed, at the minimum, after every 6 months by the work centre and modified suitably.

41.3 Quarterly review: Tracking and monitoring of inventory

41.3.1 All work centers shall have a quarterly review to identify and deliberate upon/resolve inventory related issues/concerns. Inventory management team at work centre will prepare and release the following reports on a quarterly basis

- a. Report on stores with stock months greater than 9 months and spares with stock months greater than 18 months per work centre. The concerned key executive shall use this report for liquidation of excess inventory.

Note: Stock months will be calculated on the basis of last 1 year average monthly consumption and inventory held at the time of assessment.

- b. Report on items lying at site for more than 3 months and not consumed (excluding items defined as insurance spares). The concerned key executive shall take suitable measures for transfer of such items to the main warehouse. Such material returned to main

warehouse will be blocked for further STOs for a period of 30 days for that location, unless approved by concerned key executive.

- c. Report on outstanding discrepancies with respect to material in transit. This report will be used by the concerned work centre for settlement of discrepancies. A copy of this report will be sent to office of Chief-MM and office of Head, Corporate Accounts.
- d. Report of items which are lying in surplus for over 4 months but no disposal action has been initiated. This will be brought to the attention of Chief MM and concerned key executive.
- e. Report indicating the items at each work centre for which safety stock was breached so that any modifications if required can be made to the inventory levels

41.4 Vendor Managed Inventory

41.4.1 Identification of items to qualify for VMI

- l) Inventory management team will need to identify items which should qualify for Vendor managed inventory.
- m) The qualification needs to be done on the basis of following parameters:
 - i. Value and Volume
 - ii. Variability in consumption
 - iii. Desired service level basis criticality
- n) Items which have high value and volume in inventory, high variability in consumption and high criticality should be the first ones to be considered for Vendor managed Inventory
- o) The indenting/user group will make a business case to showcase the benefits achieved by opting for VMI and present the same to concerned key executive for approval before finalization of scope of work.

41.4.2 Responsibilities of ONGC and Vendor under VMI model

- p) The detailed responsibilities of ONGC and vendor will be discussed and decided at time of contract. The following guidelines may be referred to while deciding the responsibilities of respective parties:
 - i. ONGC should take up the responsibility for Consumption planning, forecasting and setting of inventory levels for items identified as well as confirmation of purchase order on receipt of information from vendor that next delivery is due to maintain inventory levels.
 - ii. Vendor should take up the responsibility for monitoring inventory levels, order size calculation, generation of purchase order/information to ONGC that next delivery is due and delivery against purchase order.

- q) At the time of entering into contract, the following items should be established clearly. This list is not exhaustive or binding and modifications can be made as required.
- i. Communication and information sharing: The communication channels(email, access to ICE systems etc.) as well as frequency of communication between ONGC and vendor need to be clearly defined
 - ii. Inventory Ownership: Agreement needs to be reached beforehand regarding on whose book of accounts the inventory will be reflected, ONGC or vendor.
 - iii. Warehousing: Agreement on whether ONGC will provide warehouse space to the vendor or the vendor will manage inventory at his premises.
 - iv. Payment terms: Frequency and time norms for payment to be made to vendor.
 - v. Immediate communication in case of any major changes in expected consumption or supply constraints at vendor site.

Care & Preservation of Stores

PRESERVATION OF TUBULARS

42. GENERAL

- 42.1 All the tubular should be stored separately according to their sizes with box and pin ends facing to particular side.
- 42.2 The serviceable, unserviceable (rejected) and retrieved casings may be stacked separately with proper visual markings.
- 42.3 Tubular of the same size but of different thickness, grade and type of connection to be stored in separate lots.
- 42.4 The tubular should always be racked on the proper racks. The racks should be painted properly before use. Where racks etc, are not available the tubular should be stacked horizontally within the safe carrying capacity of the floor such stocks should be raised clear of the floor on battens or suitable platforms, with each layer placed at right angles to its predecessor.
- 42.5 The practice of stacking tubular by putting casings of larger size underneath as dunnage should be done away forthwith. Proper pipe racks either of structural steel or unserviceable tubular should be fabricated for stacking all the tubular with proper gritage. As another alternative, the pipe racks can be made of masonry with proper roads on all sides.

- 42.6 The pipes should be so stacked that each row is distinctly visible i.e. there should not be any difficulty in accounting the number of pipes and should not be stacked too high, as rolling them on the truck will be difficult.
- 42.7 In storage accommodation, where changes in temperature may lead to condensation of moisture, free circulation of air around and through has to be ensured.
- 42.8 The number of rows in a stack should not be more than three for pipes of size 9" and above and 4 pipes between 7" to 9" and 5 for pipes of lower size.
- 42.9 Stacking ends should be properly secured by putting line stoppers so that the stacks do not slip and fall down and cause accidents.
- 42.10 Wooden stringers or soft support to be provided for stacking Casing pipes with special grade/material like L-80, 13-Chrome alloy.
- 42.11 The pipes should be issued in the order in which they were received, i.e. the pipes received earlier should be issued first. It normally happens that as the new consignment comes the old pipes keep lying and ultimately get damaged due to corrosion.
- 42.12 The threads protectors of the pipes should be opened and grease applied on the threads and thread protectors, retightened after every 6 months (once before monsoon).
- 42.13 Proper sign boards covering all details of tubular stacked at one place should be provided
- 42.14 The pipes should invariable be handled with the help of crane and never the pipes should be thrown over one and another. This cause dents in the pipes, which ultimately results in discarding of the pipes. Sling should be put near the ends of pipes and crane hook in the centre of the sling. Utmost care has to be exercised by the Crane Operator/Staff deputed for this job so that pipes do not get damaged while loading the same on the pole carriers/ trailers.
- 42.15 In case the pipes are lying in one particular stack for more than a year the rows of the pipes should be turned up and down, i.e. the lower most should be brought up and the upper most rows should be taken down.
- 42.16 Pipes should be colour coded to different grades and different thickness. The colours used should be of good quality so that it does not get wiped off during long storage & handling. The standard colours coding is indicated below to ensure uniformity in painting colours at all the Projects.
- 42.17 So as to avoid the pipes from corrosive and rust the used/burnt oil will be applied on the body of the tubular.
- 42.18 All pipes should be marked serially and measured and tally kept in stores and stenciled or painted on the pipe in meters. At the time of issue for each well, tally should also be sent to the well for counter check. When excess pipes are returned, their serial number can be changed.
- 42.19 The rejected and unserviceable pipes should be condemned and sent out of stores for use elsewhere. If they are not needed anywhere, they should be kept in scrap yards.

42.20 Tubular are to be issued from one coil/roll until it is exhausted

43.0 COLOUR CODIFICATION OF THE TUBINGS AND CASINGS:

The standard Colour Codification in case of API grade casing, tubing and drill pipes adopted by the manufacturers is indicated below for information and guidance of all concerned: -

43.1.a.42.1A paint band encircling the pipe at a distance not greater than 2 ft. (0.61m) from the coupling or box.

43.1.a.42.2A paint band or bands encircling the centre of the coupling.

43.1.a.42.3Paint entire outside surface of coupling.

The colours are as follows:

- | | | |
|----|------------------|---|
| 1. | GRADE C-75 | BLUE |
| 2. | GRADE C-95 /R-95 | BROWN |
| 3. | GRADE F-105 | WHITE |
| 4. | GRADE P-110 | WHITE |
| 5. | GRADE H-40 | No colour marking or black at the Manufacturer's option |
| 6. | GRADE J-55 | One bright green band |
| 7. | GRADE K-55 | Tube bright green bands |
| 8. | GRADE N-80 | One red band |

Special clearance couplings are also painted the colours indicative of the steel grade from which the couplings are manufacturer and this is painted with a black band around the centre.

44.0 TRANSPORTATION, HANDLING, AND STORAGE:

API Tubular goods in general and threads in particular, are made with such precision that they require careful handling, and whether new, used, or reconditioned, they should always be handled with thread protectors in place.

44.1 TRANSPORTATION:

- a) **Water Transportation.** Pipe suppliers or their agents should provide proper supervision at the time of loading and unloading of water carriers to guard against improper or insufficient Dunnage, inadequate braking to prevent shifting during lurching of the ship, stowing pipe in or adjacent to bilge water, injurious chemicals or other corrosive material, dragging pipe along with pile and permitting couplings or thread protectors to hook together or strike the edge of hatch opening or bump against the ship rail.
- b) **Railroad Transportation,** when loading pipe on freight cars, in addition to I.C.C requirements, wooden stringers should be provided across the bottom of the car to provide suitable support for pipe and to allow space for lifting, and also to keep pipe away from dirt. If the bottom of the car is uneven, the

stringers should be rigidly shimmed so that their tips will be in the same plane- Stringers should be tied down properly to keep it from shifting.

c) **Truck transportation.** The following precautions should be taken for truck transportation.

- c.1 Load pipe on boosters and tie down with suitable chain at the bolsters. In hauling long pipe, an additional chain should be provided in the middle.
- c.2 Load pipe with all couplings on the same end of truck.
- c.3 Care should be taken to prevent chafing of tool-joint shoulders on adjacent joints.
- c.4 Do not overload truck to the point where there is any danger that load cannot be delivered to its destination without unloading.
- c.5 After load has been hauled a short distance retighten load binding chains loosened as a result of the load setting.
- c.6 Trailors carrying tubular should have proper heavy duty pipe /poles anchored properly on both side so that pipes do not roll out on its own in case support chains give way.
- c.7 Wooden stringers or soft support to be provided for transporting Casing pipes with special grade/material like L-80, 13-Chrome alloy.

44.2 HANDLING

The following precautions should be observed in handling pipe.

- 44.2.a.1.1 ,Before unloading, make sure that the thread protectors are tightly in place. The use of a spreader-bar with a choker-align at each end is the recommended method of handling long pipe.
- 44.2.a.1.2 Avoid rough handling which might ding or dent the body of pipe. Out of roundness will reduce collapse strength greatly.
- 44.2.a.1.3 Do not unload pipe by dropping. Unload one, two, or three lengths at a time, depending upon the number that can be fully controlled. When unloading by hand use rope slings, when rolling down skids roll pipe parallel to the stack and do not allow pipe to gather momentum or to strike the ends because, even with protectors in place, there is danger of damaging the threads.
- 44.2.a.1.4 Stop each length before it reaches the proceeding length, and then push into place by hand.

44.3 STORAGE

The following precautions are recommended for pipe storage.

- 44.3.a.1.1 Do not pile pipe directly on ground, rails, steel or concrete floors. The first tie of pipe should be no less than 18 in from the ground to keep moisture and dirt away from pipe.
- 44.3.a.1.2 Pipe should rest on supports properly spaced to prevent bending of the pipe or damage to the threads. The stringers should lie in the same plane and be reasonably levelled, and should be

supported by piers adequate to carry the full stack load without setting.

44.3.a.1.3 Provide wooden strips as separators between successive layers of pipe so that no weight rests on the couplings. Use at least three spacing strips.

44.3.a.1.4 Place spacing strips at right angles to pipe and directly above the lower strips and supports to prevent bending of the pipe.

44.3.a.1.5 Stagger adjoining lengths of the coupling.

44.3.a.1.6 Block pipe by nailing 1 by 2 or 2 by 2 blocks at both ends of the spacing strips.

44.3.a.1.7 For purposes of safety, ease of inspection; and handling pipe should not be stacked higher than 10 ft. Pipes should not be stacked higher than five tiers at the rig.

44.3.a.1.8 Pipe in storage should be inspected periodically and protective coatings applied when necessary to arrest corrosion.

45 INSPECTION AND CLASSIFICATION OF USED CASING AND TUBING

Inspection standards and classification for used casing and tubing have been established and the procedures are outlined in this section.

45.1 **INSPECTION CAPABILITY:** Presently accepted methods of inspecting the body section of pipe are visual, mechanical gaging, electromagnetic, eddy current, ultrasonic and gamma ray. These inspection techniques are limited to locating the cracks, pits, and other surface imperfections.

Service induced defects considered to be representative of defects associated with used pipe inspection are: Outside and inside corrosion damage, inside surface wire line (Longitude) depending upon the climatic conditions, the frequency of the application of burnt oil should be increased. Also the tubular should be treated with composition "rust preventive" or Paint PFU, bituminous black anti-corrosive. The threads of the pipes should also be treated with grease and protected carefully.

46. STORAGE AND PRESERVATION OF INDIGENOUS CEMENT

46.1 General Instructions

46.1.1 So as to prevent water/moisture to seep in, it will be ensured that there is no leakage anywhere in the storage go-down.

46.1.2 The bags should be stored on appropriate pallets to serve as Dunnage.

46.1.3 The stacks of cement bags should not in any case be higher than 14 bags.

46.1.4 The maximum width of a stack should not be more than three meters.

- 46.1.5 In case the stack is more than seven to eight bags high than the bags should be tie the piles together.
- 46.1.6 As far as possible the cement should not be stored for longer than three to six months.
- 46.1.7 Once the cement has been stacked properly, it would not be disturbed until it is to be used. However, in case the cement is to be stored beyond a period of three months, then the bags in stock should be rotated every three months.
- 46.1.8 The principle of "First comes First Out" should be followed strictly.
- 46.1.9 The go-downs must be checked fortnightly by an officer, not lower than the level of MMO, so as to ensure that there is no leakage in the go-down and that proper stacking of the bags has been done.
- 46.1.10 Record of stock rotation, when stocked for over three months, implementation of turnover and fortnightly check of go-downs by MMO as also inspection by their superior officers will be maintained. It will be put up to the visiting officer.

The defaulting storekeepers and supervisory officers will be liable to disciplinary action for non-compliance of above instructions.

47 STORAGE PRESERVATION OF CLASS 'G' CEMENT

- 47.1 As is known the imported class "G" cement is quite costly as compared to indigenous oil well cement. There may be occasion when large quantity of imported oil well cement might have to be stored at the projects for considerably long period before consumption.
- 47.2 All concerned are advised to ensure proper storage of the above category of cement and take following points into consideration for its preservation.
 - 47.2.1.1.1.1 The maximum bags for stack should not exceed eight numbers.
 - 47.2.1.1.1.2 The bags should be stacked over a wooden platform at least 6" to 8" above the floor.
 - 47.2.1.1.1.3 The bags in stock should be rotated every three months.
 - 47.2.1.1.1.4 There should be enough gaps between two rows for good ventilation and easy rotating of bags.
 - 47.2.1.1.1.5 There should not be leakage anywhere in the storage godown to prevent water/moisture to seep in.

48 PORTLAND/OIL WELL CEMENT AND MUD CHEMICALS

These items are to be stored on appropriate pallets to serve as Dunnage. Also, the stacks of the cement should not, in any case, be higher than 14 bags. The maximum width of a stack should not be more than 10 feet. Further, if the stack is more than 7 to 8 bags high, the bags should be arranged in Header or Stretcher Fashion, i.e. alternately lengthwise so as to the piles together. Besides this, the cement, so far as possible, should not be stored longer than

3 months. Once the cement has been properly stacked, it should not be disturbed until it is to be used.

49 HANDLING OF OWC

It will be ensured that Pulverized or granular consignments during transportation are handled:

49.1.1.1.1 In palletised racks as far as possible.

49.1.1.1.2 Number of loadings and unloading is minimized as far as possible.

49.1.1.1.3 If handling is being done in unpalletised state, i.e. in paper bags directly, it is done under supervision of officer of ONGC who should certify undamaged loading /un-loading (as the case may be). In such cases, handling agent's liability must be strictly supervised at dispatching as well as receiving end.

49.1.1.1.4 Use of hooks in case of paper bags is avoided.

50 STORAGE/UTILISATION OF CEMENT

50.1 In case the cement is issued after its storage for over a period of six months, the indenter concerned will specifically be informed so as to enable him to get the same tested prior to actual utilization for quality constructions.

50.2 The indenter must invariably be informed if sweep cement is required to be issued so that it could be got tested for quality works.

50.3 The user Department should invariably get tested cement stored beyond six months/sweeping cement so that the cement which is unfit for a particular quality work like foundation can be utilized for other purposes like construction of compound wall etc.

51 PRESERVATION OF CHEMICALS

GENERAL

51.1.1 The general causes of deterioration of chemicals are:

(a) Heat (b) Light (Particularly direct sun light) (c) Air and (d) Moisture

51.1.2 Chemicals should, therefore, be stored in their original packages in cool and well-ventilated places. The containers of chemicals should be open for the minimum period necessary. The packs and containers of the chemicals should be examined (once in three months) for leakage due to loose stoppers or damaged containers.

51.2 TRANSPORTATION, HANDLING, AND STORAGE

ACIDS

51.2.1.1.1 Rooms where acids are stored or used should be pucca and their floors should not be slippery and must be kept clean.

- 51.2.1.1.2 Bottles or carboys should be stored away from direct sunlight. If the bottles/carboys are full, about 5% of the contents should be removed to allow expansion.
- 51.2.1.1.3 Separate shelves or compartments should be provided for each type of acid. Nitric acid should be kept as far away as possible from sulphuric acid and hydrochloric acid.
- 51.2.1.1.4 Containers with acid should be safeguarded against mechanical injury and should be stored on a bed of dry sand about 5-7 cm thick.
- 51.2.1.1.5 Foreign material such as saw dust, cotton, paper or chips of wood must not be allowed to fall into the acid.
- 51.2.1.1.6 Acids should on no account be mixed.
- 51.2.1.1.7 Pails of clean water and neutralizing solutions (10-20% soda ash solution for neutralizing small quantities of acid on surface of containers or equipment, 10% solution of bicarbonate of soda for neutralizing acid on hands or other parts of body) should be placed in or near the store room.
- 51.2.1.1.8 Acids should be handled with great care to prevent spilling. If any acid is accidentally split it should promptly be washed down with the neutralizing solution and water.

51.3 SULPHURIC ACID

- 51.3.1.1.1 The addition of water to strong sulphuric acid develops heat. Water should never be added to sulphuric acid for diluting it but always acid should be added slowly to water.
- 51.3.1.1.2 Metal drums containing strong sulphuric acid must not be left open.
- 51.3.1.1.3 Metal drums containing strong sulphuric acid develop internal pressure (formation of gas) under tropical conditions of storage. Drums must be stored in a cool place preferably below 32°C. Body plugs of filled drums should be removed at weekly intervals to relieve internal pressure and their refitted. During hot weather the drums should be vented twice a week.
- 51.3.1.1.4 Workmen wearing goggles rubber boots, rubber gloves and rubber aprons should handle the drums. Naked flame of any kind should not be permitted on or near the drum. The drums should never be struck with tool or hard object as the resulting sparks may ignite the gases in the drum.

51.4 CHLOROSULPHONIC ACID AND TITANIUM TETRACHLORIDE:

- 51.4.1 Chlorosulphonic acid and Titanium Tetrachloride liquids are of a corrosive and dangerous nature. They may be stored indefinitely under conditions similar to those used for the storage of strong sulphuric acid. The drums should be kept in a dry cool place, but not on wooden floors,

and away from any material likely to be damaged by a possible escape of the corrosive chemicals.

51.4.2 Drums should be stored with the bungs uppermost and in such a way that any drum is easily accessible. Great care should be taken to avoid rough usage of the drums.

51.4.3 Pressure is occasionally developed and the operator should stand clear of any spray that might be emitted by the release of pressure on opening a drum. Leakage is shown by fuming near the faulty spot, if at the bung, this may be tightened or new washer fitted. Asbestos string, smeared with Vaseline, is used as a washer.

51.4.4 If a small leak develop in a drum (generally in the side seams) the drum should be turned so as to bring the faulty place uppermost and any liquid on the outside of the drum should be removed by dry service "Mops" (Care being taken to keep the acid off the hands). Any faulty drums or barrels should be decanted into sound drums as soon as possible.

51.4.5 In order to avoid the screwed plugs or caps of chlorosulphonic acid and titanium tetrachloride drums becoming seized up they shall be coated with grease graphite as soon as drums become empty.

51.5 ALKALIES:

51.5.1.1.1 Ammonia liquor bottles must be well cooled with water (preferably iced water) before opening and should be opened with the mouth of the bottle directed away from all persons.

51.5.1.1.2 Alkalis should be stored as far away from acids, as is possible, preferably in separate rooms.

51.5.1.1.3 As caustic soda and caustic potash absorb moisture from the air their containers should always be closed airtight.

51.6 PHOTOGRAPHIC CHEMICALS:

51.6.1.1.1 Chemicals like metal hydroquinine and silver and iron compounds used as photographic chemicals should be stored away from light in dark blue or deep amber coloured bottles, stopper and sealed with paraffin wax.

51.6.1.1.2 Deadly poisons such as potassium cyanide, mercuric chloride and Lead sub acetate should be kept in properly sealed and prominently labelled bottles under lock and key. Personnel handling these chemicals should thoroughly wash their hands immediately after handling them.

51.7 MISCELLANEOUS CHEMICALS:

Camphor and Naphthalene should not be stored near each other but in separate airtight boxes.

52 PRESERVATION OF RUBBERISED MATERIALS STORAGE

52.1 GENERAL

Rubber equipment is to be stored in a dry, well ventilated and shaded place away from other equipment. Ideal storage conditions are obtained by the provisions of self contained accommodation where the maximum temperature does not exceed 80 F. Where such accommodation cannot be provided, the area selected is to be curtained off to keep out the light.

53 PRECAUTIONS

Direct sunlight has deleterious effect upon rubber. So, too has ultra violet light and, for this reason rubber is never to be stored in the direct rays of the sun or where mercury-vapour lighting is installed. Where rubber is stored in metal containers, it is to be prevented from actual contact therewith. In storing articles made from rubber in conjunction with fabrics, care is to be taken to ensure that the fabric is not allowed to become damp, as this would cause rapid deterioration. No oil or grease is to be allowed to come into contact with any rubber equipment.

54 TREATMENT

Rubber equipment is to be treated with French chalk, while in storage, but care is to be taken to ensure that fine orifices, capillary tubes, etc. of equipment does not become blocked by excessive application of the chalk.

55 SPECIFIC FORMS

TUBING

As far as possible, rubber tubing is to be stored in straight lengths on shelves. When rubber tubing is coiled, the outside of each turn of the coil is in slight tension and this can lead to "Exposure cracking" with consequent unserviceability.

SHEET

rubber sheet is to be stored flat, one sheet on another, with French chalk between each sheet so as to prevent sticking of the sheets, sheet which is supplied in rolls is to be unrolled and stored flat, one sheet upon another with identifying marks upper most. By this means any tension which existed in the material while in the roll form will be relieved and the danger of the material cracking or acquiring a permanent "Set" will be reduced.

SOLUTIONS AND COMPOUNDS

Rubber Solutions and self-Vulcanising Rubber Solutions are liable to rapid evaporation or hardening if exposed to the air. Care is, therefore, to be taken to ensure that the container caps are securely fixed and that the sealing washers, where fitted, are in good condition.

56 INSPECTIONS:-

Rubber or equipment containing rubber in Store is to be inspected periodically for signs of ageing or perishing. A manual examination will normally suffice to establish freedom from deterioration.

Wherever possible, e.g. in the case of rubber tubing or sheeting, the item should be examined under slight tension by stretching in order to expose surface cracks or other signs of deterioration.

57 PACKING AND TRANSPORTATION:-

As far as possible, rubber equipment which is being packed for transportation is to be treated similarly as for storage. It is to be packed out of tension and, as necessary, treated in accordance with Para above. No oily or greasy equipment is to be packed in with rubber equipment. Small items of rubber equipment are to be packed in with rubber equipment. Small items of rubber equipment are to be wrapped and placed in a carton or paper bag, if possible, before packing.

58 STORAGE AND PRESERVATION OF RUBBER:-

Rubber goods have a tendency to breakdown during storage. Proper conditions, however, will go a long way in prolonging their useful life. The usual precautions in storage include:-

- 58.1 The rubber articles should be thoroughly dealt with powered French chalk or Soapstone. Rubber stores, such as rubber bellows, diaphragms and hinging materials should occasionally be wiped lightly with a 20% solution of pure glycerine in water. This delays the process of hardening of rubber.
- 58.2 The coolest store-room available should be utilized for the storage of rubber stores. The temperature in the store-room should be as low as possible but should not exceed 70 to 80 F. In order to maintain a low temperature and to give the necessary degree of humidity in dry weather, unless air conditioning exists, "Khas-Khas Tattis" will be fitted over the doors of the store-room and will be continually kept wet during the day, the doors remaining open.
- 58.3 Store-room should be kept dark. Complete darkness is not necessary but strong light should not be allowed to fall on the rubber. Painting the windows, with a non-actinic colour or having windows obscured by dark curtains, or covering the racks with gunny or brown paper helps in this connection.
- 58.4 Provision of a very slight humid atmosphere which should, however, be consistent with avoidance of any mould growth.
- 58.5 Severe draughts should be avoided. However, adequate ventilation should be maintained, especially during monsoons, as measure against fungal attack of rubber stores and other susceptible materials like cotton, bags, wooden racks, poles or corrosion of exposed metal surfaces due to excessive humidity. Ventilation is also required to remove the volatile products of the ageing of rubber which are harmful.
- 58.6 Rubber stores should be stored away from electric generators, electric motors, switch gears and other such electrical equipments since they produce ozone in the vicinity of their atmosphere.
- 58.7 Contamination with vegetable and mineral oils, greases, organic solvents, acids and their fumes, alkalis, dust and grit should be prevented. Where greasy contamination occurs, this could be removed immediately with a little petrol, the article thoroughly wiped dry and subsequently dusted with French chalk.

- 58.8 Contact with copper and manganese, their alloys and compound should be avoided.
- 58.9 Rubber articles should be kept without any restraint or distortion as far as possible. Such articles as hoses should be stored either uncoiled or in loose coils in order to avoid sharp bends.
- 58.10 Recently Ink Marking Oxford Blue ISC No 105 has been introduced in service, which can be used for all rubber stores including tyres in stores. In the absence of this specific Ink, if a marking has to be made on the store, it should be made either on the wrapping as in the case of tyres or on a tag tied to the store. No other paint or ink is suitable for marking of rubber stores.
- 58.11 Rubber stores should generally be turned over quarterly and treated with French chalk, if necessary, at each turnover. In addition to this, checks of a percentage of stocks should be made occasionally during and soon after monsoon periods. Where large quantities of stores are involved and it is not possible to turn over the store a quarterly, the authorities of various stores.

59 RUBBER HOSE

Following precautions should be taken during handling and storage of rubber hoses.

- a) Rubber hoses should be dried immediately after use, preferably by hanging up in a tower, if available.
- 59.1.a.1.1 In case of new hose it should be ensured that there is no condensation of moisture inside. If any moisture is present the hose should be dried in the same manner as in sub para (a) above.
- 59.1.a.1.2 After drying out the hoses, little French chalk should be sprinkled inside and outside of the hose.
- 59.1.a.1.3 For transport the hoses should be loosely coiled and packed in boxes lined with water proof liners.
- 59.1.a.1.4 For storage, the hoses may be kept in boxes referred to in sub para (d) above or stored in loose coils or flat in racks. General storage conditions should be the same as for other rubber stores.

60 PRESERVATION OF METALS

GENERAL

60.1 CORROSION

Most metallic materials are subject to corrosion when stored under unsatisfactory conditions. Corrosion injures the metal by pitting or by inter-crystalline attack which often renders the material unserviceable. The harmful type of attack is almost invariably due to condensed or other moisture, with or without some more active agent.

60.2 PRESERVATION

The protective measures necessary for the satisfactory storage of metallic materials will vary according to the type of material, its form(e.g.) thin-walled steel tubes will require different treatment from that suitable for massive machines and the storage accommodation available. Before placing metallic materials in storage, any necessary preservation is to be applied and is to be re-applied if necessary when the materials are inspected and the preservative has been removed or damaged due to handling etc.

60.3 RACKS AND STACKS

60.4 Following are particular requirements of metallic materials.

60.4.a.1.1 Serious problems of corrosion arise where condensation of moisture takes place in the presence of stored metallic materials, particularly where there is contact between dissimilar metals or between metals and absorbent materials, e.g., brick work and wood work. It follows that stocks of steel are best stored in steel racks, etc. and that other metallic materials would best be held in racks, etc. of material similar to that being stored. This ideal can seldom be directly achieved in practice, but painting of the racks etc. which provide the paint work if kept in good condition, will provide an effective alternative, and will be simple and practical measure.

60.4.a.1.2 Lengthy pieces are to be supported as necessary throughout the length to prevent undue sagging.

60.4.a.1.3 When stacking, particularly light sections, or thin walled tubing, care is to be taken to avoid any crushing due to the weight of the stack.

60.4.a.1.4 Metallic materials stored in cases are to be raised clear of the floor on battens.

60.5 VENTILATION.

In storage accommodation, where changes in temperature may lead to condensation of moisture, care is to be taken to arrange for free circulation of air around and through the stored material by proper storage.

60.6 ARRANGEMENT.

Stocks are to be arranged in a manner facilitating their periodical inspection and systematic turnover.

61 SPECIFIC FORMS

61.1 BARS, RODS, EXTRUSIONS AND TUBES.

Bars, etc. may be stored horizontally or vertically in racks as appropriate to the section and its length. Where racks, etc. are not available or where their use is impracticable, the materials may be stacked horizontally within the safe carrying-capacity of the floor. Such stocks should be raised clear of the floor on battens or suitable platforms, with each layer placed at right angles to its predecessor. Each stack is to contain material of one type only.

61.2 SHEETS

Sheet metals other than aluminium and other light alloy, should be stored horizontally and clear off the floor on suitable wooden platforms, with sufficient thin wooden battens between sheets both to facilitate air circulation and to support the sheets, bearing in mind the requirements of para above.

61.3 STRIPS, FOILS AND GUAZE.

Filmy strips, etc. are to be stored coiled on round wooden formers and suitably protected from mechanical damage. The more robust of these forms of materials may be stored tightly coiled without formers and on end.

61.4 WIRE AND CABLE.

thickness less than 16 S.W.G. are to be stored properly coiled on spools or formers. For thicker gauges, winding on spools or former is desirable but not essential. When spools and formers are not used, wire and cable are to be stored properly coiled, avoiding any kinking or tangling.

62 INSPECTION

62.1 GENERAL

It is necessary periodically to examine all stocks of metallic materials during storage to ensure:-

62.1.a.1.1 The maintenance of correct methods of storage detailed in the preceding paragraphs.

62.1.a.1.2 That identity, as laid down, is maintained, and

62.1.a.1.3 Freedom from damage and deterioration, and the maintenance of adequate protective measures.

62.2 PERIODICITY

The frequency of inspection will depend upon the storage conditions and the nature of the material, but should be at least once a month.

63 CORROSION

The following descriptions of the commoner kinds of corrosion on metallic materials that may be met are for information:-

63.1.a.1.1 **ALLUMINIUM AND ITS ALLOYS** A normal initial corrosion product is a light "Bloom" which develops into a white powdery deposit. More advanced corrosion may lead to the formation of deep pits and blistering. Aluminium coated, pure aluminium and certain anti-corrosion aluminium alloys are intrinsically more resistant to corrosion than the high strength alloy materials.

63.1.a.1.2 **MAGNESIUM AND ITS ALLOY** magnesium products are usually protected by a chromate finish. The appearance of the material may vary from a smooth black to a golden sheen. Incipient corrosion is readily seen as a white powdery black to a golden sheen. Incipient corrosion is readily seen as a white powdery deposit which in favourable circumstances (i.e., bad storage conditions), rapidly spreads, giving rise to multi-colour corrosion products and deep pitting.

63.1.a.1.3 **COPPER BASED ALLOYS** corrosion takes the form of the well known verdigris, a blue-green corrosion product on heavy section. This may cause little trouble, but on foil, fine wire, and thin tubes the material is generally rendered useless.

63.1.a.1.4 **FERROUS MATERIALS** ferrous materials corrode by rusting. In certain circumstances the so-called "stainless" steel will rust, especially in marine atmospheres.

64 PROTECTION:

Where protective films are found to be damaged and, therefore, only partially effective, immediate action is to be taken towards their renewal.

65 PACKING AND TRANSPORTATION

65.1 GENERAL

Depending on their nature and the journey involved, metals are to be adequately and appropriately protected in accordance with the following paragraphs before dispatch. Ferrous and non-ferrous metals are to be packed in separate containers.

65.2 PRESERVATION AND WARPING

Where necessary, metallic materials should be suitably wrapped using, for example, paper, grease resisting etc.

65.3 RIGID AND OTHER ROBUST FERROUS BARS, RODS, ETC.

Where packing cases are considered to be unnecessary for the safe transit of these materials, they may, after any necessary preservation, etc. to be secured in bundles. Such bundles should be of reasonable size and weight.

65.4 SHEETS.

Sheet metals, other than black steel sheets, are to be prevented from contact with one another and consequent damage to surfaces by interleaving and over-wrapping with suitable paper. They are then to be placed in cases, wood packing/crate and adequately blocked and cushioned as necessary in order to prevent movement within the case.

65.5 STRIPS,FOIL,GAUZE,WIRE AND CABLE

Metallic materials in these forms are to be coiled, as prescribed in para 65.3 and 65.4 above, and secured as necessary in suitable containers.

66 PRESERATION OF TEXTILES AND CORDAGE STORAGE

TEXTILES

- 66.1 If textiles remain in a damp condition, mildew and rot will quickly develop and they are, therefore, to be thoroughly dry before being placed in storage and are to be maintained in that condition. The storehouse is to be kept well ventilated. Textiles are to be stored clear of the floor and walls and so arranged as to permit free air circulation around the stored material.
- 66.2 Textiles which have been pressure-baled are to so remain until it becomes necessary to open the bale for the purpose of issue, inspection, or where pilferage is suspected. This method of storage economies space, protects the material against moisture and the colours from fading, and reduces the risk of attack by moth, etc. Once the stitching of the bale is cut, however, the tension is lost and, the contents are, therefore, to be withdrawn, thoroughly dried if necessary, aired, folded and placed individually into storage.
- 66.3 Woolens and silks are to be protected against moth by the use of liberal quantities of Naphthalene or other approved moth-deterrent inserted between the folds of the material.
- 66.4 The woodwork of storage racks, etc., is to be washed with a mixture of creosote and kerosene. Where available however, all metal storage racks, etc., should be used in preference to those made from wood.
- 66.5 Part-worn textiles are on no account to be stored with serviceable textiles until cleaned. Used woolen textiles that are being retained for subsequent issue are to be cleaned as soon as possible after receipt into store as such articles are particularly liable to attack by pests.
- 66.6 Leather cloth is to be kept in rolls and dusted with French chalk, to prevent sticking of the layers.
- 66.7 Cotton and linen fabrics are to be stored folded in cupboards or bins, the fronts of which are to be covered in order to exclude light.
- 66.8 Felt is particularly liable to absorption of moisture and attack by pest.
- 66.9 Textiles are at all times to be kept clear of acids, alkalis, rust, oil, water and other chemical substances which if contacted, would cause destruction of the fibers.
- 66.10 Baled textiles may be stored at Zonal Stores in bulk stacks built up on trestles. The layout of trestle storage is subject to the following limitations:-

66.10.1.1.1 A clear space of 36 inches is to be left between storage shed, outer walls and trestles.

66.10.1.1.2 There is no set limit to the length of each stack provided that :-

66.10.1.1.2.1 The width of each stack does not exceed 30 feet.

66.10.1.1.2.2 Gangways between stacks are of sufficient width to accommodate the mechanical/ manual handling equipment in use.

66.10.1.1.3 The top of each stack is to be not less than 2 ft. 6 ins, from lighting or other electrical installations.

67 CORDAGE

67.1 Bins or racks used for the storage of cordage are to be with shelves to permit free ventilation. Rope is to be kept in coils and cord in hanks. Heavy rope is to be raised clear of the floor on raised platforms. Should ropes become wet they are to be dried naturally, as soon as possible. Too much heat will cause the rope fibres to become brittle. If drying is delayed, rot will set in. Frequently rot starts from the inside of the rope and cannot be detected by external examination. Wet rope, or rope infested with rot is on no account to be mixed in the store with rope which is in a satisfactory condition. Coils of rope are to be turned over periodically.

67.2 Cordage is at all times to be kept clear of acids, alkalis, rust, and other chemical substances which, if contacted, would cause destruction of the fibres.

67.3 The ends of rope are to be whipped with cord so as to prevent fraying and separation of the strands and before lengths are cut the rope is to be whipped either side of the cutting mark.

68 INSPECTION

68.1 Textiles and cordage are to be inspected at least once in two months.

68.2 In addition to the inspection referred to above patrol examination of stocks is to be conducted at likely intervals to check general storage conditions and detect any signs of incipient deteriorations.

68.3 If stored damp, textiles are liable to spontaneous combustion and during inspection the hand must be inserted into the stacks to ascertain if there is any undue heat present. If heat is detected the stack is to be immediately dismantled and the articles thoroughly dried.

68.4 Textiles in store are to be opened out, inspected and aired as necessary. The examination of woolen textiles in bales should not be carried out in summer unless strictly necessary, owing to the greater risk of infestation during that season. The bales should not be opened unnecessarily since the contents are thereby rendered more accessible to pests.

68.5 Special attention is to be given to detecting any signs of mould growth, fungal attack or other infestation, which if not promptly controlled, may

rapidly spread to abject stock, if infestation becomes apparent, affected articles (unless they have been rendered useless) are to be subjected to the treatment prescribed for that infestation. After the appropriate treatment and when the infestation is effectively controlled the articles are to be wrapped in suitable paper, the articles having been protected as in para 68.3 above.

69 PACKING AND TRANSPORTATION

69.1 TEXTILE

69.1.1 The contents are to be protected against damage resulting from the entry of insects, moisture, grease etc, with naphthalene and by enclosure in paper, packing and Hessian. Tensional steel strapping is to be applied where available, and “ears” are to be left at the corners of the bale so as to facilitate handling.

69.1.2 Textiles are not to be packed in contact with any of the substances mentioned in para 9 above.

69.2 CORDAGE

69.2.1 Cordage may be sent loose when carried by road transport, but it is to be packed in cases, wood packing, when forwarded by rail except very heavy cordage, such as the large sizes of coir cordage, that do not require any protection in transit, Cordage that is not packed for transportation is to be securely bound with sting cord to prevent it uncoiling.

69.2.2 Cordage is not to be packed in contact with any of the substances mentioned in para above.

70 PRESERVATION OF AIR TUBE CLUTCHES

It has been observed that the Air Tube Clutches are not being handled and preserved properly thus resulting into their premature failure. With a view to ensure their proper working the following guidelines may please be followed to all concerned.

- 70.1 The Air Tube clutches should be issued only in the crates in which the manufacturers supply these.
- 70.1.1.1.1 The manufacturers should be asked to pack the Acts by suitable fixing on them M.S. Round or other rigidly secure the rims on both the sides.
- 70.1.1.1.2 There should be a regular turnover of the A.T.Cs and issues should be made on first in first out basis.
- 70.1.1.1.3 Existing instructions for preservation of rubberised goods should be strictly followed.

71 PRESERVATION OF COMPRESSED GAS CYLINDERS

71.1 SAFETY IN USE OF COMPRESSED GAS CYLINDERS

71.2 COLOUR CONSOIOUS:

71.2.1 Colour consciousness is a “Must” in dealing with industrial gas cylinders.

71.2.2 Gas cylinders are painted in different colours according to the contained gases so that their visual identification is easy. These colours, however, get abraded; obliterated or blurred by rough handling and frequent use and like the elite female, often need a surface lift. It often happens that while delivering refilled cylinders, suppliers case is must meticulously adhere to the colours code. Extra therefore, necessary in identifying the contents of such cylinders.

71.3 IDENTIFICATION- COLOUR CODE

71.3.2.1.1 The statutory regulations regarding the colour code is to be observed by suppliers of compressed gas cylinders.

71.3.2.1.2 It is found that in case of oxygen gas more than six different sizes, ranging from 3 to 8 cubic meters are supplied to users, depending on their availability. In the case of acetylene gas, as many as eleven sizes are in circulation. Nevertheless, the ground colours of the cylinder body are and statutorily **MUST BE** the same for each kind of gas.

71.3.2.1.3 Paper labels or tags are pasted or attached to the cylinders by suppliers to help identify of the contents, but these very often get lost, torn or mutilated during transportation and handling. In such cases the only reliable means left for identification of contents is the ground colours of the cylinder.

71.4 USE OF WRONG GAS

Use of a gas cylinder for any specific operation without its correct identification is an unsafe practice. Instances have occurred in the past wherein compressed oxygen was used in place of compressed air for starting a diesel-engine generating set in a factory and this resulted in multiple bone fracture injuries to attendants and serious damage to the engine-set putting it out of commission over a long period. In one instance, (in a foreign country) Oxygen was used in inflating the tyres of a passenger airplane with disastrous results. (It is not difficult to imagine that the results of the mishap that could be caused by using a wrong gas in a chemical process will be catastrophic).

71.5 PRECAUTIONS FOR FRESH RECEIPTS AND USE OF GAS CYLINDERS

The bulk of gas cylinders are supplied to factories by road transport. The supervisor concerned while receiving the gas cylinders ought to take the necessary precautions such as: -

71.5.2.1.1 Before unloading, identify the cylinders by their colours as per the standard colour codes or labels.

- 71.5.2.1.2 In case the consignment does not conform to the requirement (as per the colour code), refer the matter to the Manager to decide whether the consignment should be accepted or returned to suppliers.
- 71.5.2.1.3 In case it is decided to accept the consignment, cylinders should be unloaded carefully taking precautions mentioned under “Unloading of Cylinder”(reference next paragraph). In such cases the Manager should bring to the notice of the suppliers the fact that the cylinders did not conform to the colour code.
- 71.5.2.1.4 Each cylinder as received from suppliers should be complete with its valve cap which is provided as a protection to the spindle valve assembly, or hand wheel in the case of some LPG Cylinders. If the cylinders are received without caps, bring this to the notice of the suppliers and ask them to arrange for provision of the missing caps.
- 71.5.2.1.5 Before issuing any cylinders for process work, have its contents identified in case of doubt with the help of laboratory staff and get each cylinder clearly labelled or marked.
- 71.5.2.1.6 In case of doubt regarding the identity of the gas **DO NOT ISSUE** it for process work until it is properly identified.
- 71.5.2.1.7 Ensure that empties are returned back to the filling factories expeditiously.

71.6 UNLOADING OF CYLINDERS

Cylinders must be handled with care. They should not be dropped or allowed to strike against each other. Gas cylinders furnish a common example of the saying “Familiarity breeds contempt”. It is only a disaster, possibly with loss of life or limb that brings home to everybody the fact that a charged or even an apparently empty cylinder is a dangerous thing.

To ensure safety, the following method of unloading gas cylinders from road vehicles or railway wagons is recommended.

- 71.6.2.1.1 Wherever possible unload directly on a raised platform by rolling over a coir mattress.
- 71.6.2.1.2 If a suitable raised platform is not available slide down each cylinder, over a heavily reinforced 15cm thick coir mattress of about 2m x 1m size, taking care that the bottom end touches the mattress first and then roll it easy over the mattress. The weakest part of a cylinder is its valve assembly fitted above its neck and extra care is necessary to ensure that the valve is not subjected to rough handling or damage during unloading. **Do not drop** cylinders from a height.
- 71.6.2.1.3 Make sure that the cylinder lowered on the mattress is rolled away before the next one is slide down.
- 71.6.2.1.4 **DO NOT** use a lifting magnet for loading or unloading any cylinder.
- 71.6.2.1.5 A fibre rope sling may be used to lift one cylinder-never more than one at a time, provided it is adequately strong and correctly adjusted to

prevent slipping. Use of a chain sling is unsafe as it is very likely to slip over a cylinder.

71.6.2.1.6 If more than one cylinder has to be handled by a crane a properly designed cradle with proper suspension should be used.

71.6.2.1.7 From the unloading platform to the storehouse from Store House to the plant, the cylinder should be transported by means of a suitable handcart. Such a cart would be provided with a chain or belt (but not without a Chain) for securing the cylinder so that it cannot fall in case the handcart happens to pass over a bump.

71.6.2.1.8 Provision of suitable handcart is particularly recommended for transporting heavier cylinders containing acetylene, chlorine, ammonia, etc, contents of which are in a liquid or partly liquid state.

71.6.2.1.9 If a cylinder is to be transported over a short distance and suitable handcart or other carrying device is not available, it should be rolled over its bottom edge but never dragged.

71.7 HANDLING OF ACETYLENE CYLINDERS:

71.7.2.1.1 Handling of acetylene cylinders merits special attention. Acetylene cylinders contain a porous substance and a solvent (acetone) in which acetylene gas is dissolved. It is a highly flammable gas and in case it leaks, the acetylene air mixture is likely to explode if ignited by flame, heat or spark in the vicinity. Acetylene cylinders should be handled very carefully to prevent damage, which might lead to bursting of cylinder or leakage through the cylinder valve. They should not be hanged, jolted violently, dropped or thrown about. When being unloaded from a truck, the cylinder should be lowered gently.

71.7.2.1.2 In the work room a cylinder should be prevented from falling by being fixed to the wall by a bracket or a chain in such a way that it can be removed easily in case of fire-**DO NO KEEP** cylinders near doorways or passage ways so as to create an obstacle for smooth flow of men and materials.

71.7.2.1.3 When in use an acetylene cylinder should be kept in an upright or nearly upright position so as to prevent acetone escaping with acetylene.

71.7.2.1.4 Always store full acetylene cylinders upright-never stack them horizontally.

71.7.2.1.5 A well-ventilated storeroom should be provided for handling and storage of cylinders. Empty cylinders should be stacked away from full cylinders. "**FULL**" or "**EMPTY**" notices should be displayed on each relevant stack.

71.8 CARE IN STORAGE: -

71.8.2.1.1 When storing cylinders upright, to ensure that suitable brackets or stands properly secure them so that they will not fall. Do not place them against a wall or bench unsecured.

71.8.2.1.2 If cylinders are stacked horizontally, use proper checks or blocks at each end of stack to prevent their rolling. Place large size Cylinders at the bottom; do not stack more than four high.

71.8.2.1.3 Do not keep cylinders in a Battery Charger Room or in Oil Storage Room or in places where there is a likelihood of Oil, Acid or Corrosive Liquid Splashing due to any reason.

71.9 PROPER STORAGE:

71.9.2.1.1 If cylinders are exposed to heat, the internal pressure will increase, which may give rise to unsafe conditions, particularly in the case of acetylene cylinders in which the internal pressures increase by about 5-1/2 lbs per sq. inch for every degree centigrade of temperature. The risk of explosion of an acetylene cylinder increases sharply with the pressure in the cylinder, the pressure increase being caused not only because acetylene is liberated from the solvent but also because of de-composition (known as dissociation) of the acetylene which makes it most liable to cause an explosion. Acetylene at pressures in excess of 27-sq/sq. inch may be caused to decompose by shock or heat.

71.9.2.1.2 Store cylinders well away from sources of heat such as Ovens, furnaces, Boilers, Incinerators, Heating apparatus etc. Also ensure that cylinders are not subjected to direct rays of the sun. Do not use tarpaulin or any other cover in direct contact with cylinder as a protection against the sun.

71.9.2.1.3 Always ensure that cylinders are protected from rusting or corrosive conditions. Do not place cylinders directly on wet soil. Use proper Dunnage.

71.10 CARE IN HANDING

71.10.2.1.1 Oil or grease will ignite violently in the presence of oxygen and may even lead to explosion in case oxygen cylinders and regulator fitting should be kept away from all sources of contamination such as oil drums, storage batteries, paint drums, underneath a bench or machine bed, etc.

71.10.2.1.2 Do not keep oily or greasy cotton waste or rags or clothes on cylinder. It has been experienced that oily rags and cotton wastes have at times lead to spontaneous combustion which in the vicinity of oxygen cylinder can be disastrous.

71.10.2.1.3 Ensure that rat or dirt of any sort or oil does not enter regulator assemblies.

71.10.2.1.4 Do not lubricate cylinder valves.

71.10.2.1.5 Use only the standard keys for opening the valves and make sure that these are free of any oil or grease. Do not increase the leverage of keys or spanners and DO NOT MAKE any attempt to get gas from cylinders with broken valve spindles. Any of these

actions may damage the cylinder valves and render the cylinder useless.

71.10.2.1.6 Do not use cylinders as rollers, work supports or jacks.

71.10.2.1.7 The recommended method of lifting a cylinder is the use of fibre rope slings in preference to the metal chains. Cylinders must not be lifted with magnets.

71.10.2.1.8 Cylinders should not be loaded loosely in a vehicle failing which they will come to violent contact and be subjected to jolting and damage during vehicle movement.

71.10.2.1.9 Never allow cylinders to come in contact with electrical apparatus of live wires.

71.10.2.1.10 Keep cylinders away from sparks, flames, or slag from welding and cutting operations.

71.10.2.1.11 Cylinders that have become damaged in transit or in the course of being used in the plant or for any other course should be handled in the same manner as leaking cylinders.

71.11 CARE IN THE USE OF FITTINGS

71.11.2.1.1 To prevent the interchange of fittings between cylinders of combustible and non-combustible gases, the valve outlets have left hand and right hand screw threads respectively. Thus, a built-in-safety is provided in valve assembly design. Cylinders containing oxygen, nitrogen, compressed air, carbon dioxide and other non-combustible gases have the conventional right hand threads at Their spindle valve outlets. Whereas cylinders containing combustible gases such as Acetylene, Hydrogen, Propane, Bur Shane, Coal Gas, etc. have left hand threads, at the spindle value outlet.

71.11.2.1.2 Here it is pointed out that for all types of gases combustible and non-combustible, the main spindle valve (hand wheel in the case of some LPG Cylinders) which controls gas supply from cylinders to regulator is always a conventional design, i.e. the gas supply is shut when the key is turned clockwise. This is to avoid combustion when gas supply is required to be closed down in an emergency. It is only at the outlet and of the main valve that the screw threads are differently designed so as to prevent the regulator assemblies of combustible gases being used on non-combustible gas cylinders.

71.11.2.1.3 If decomposition starts in a combustible gas cylinder, the flame, if any should be extinguished and the valve closed. If part of the cylinder becomes hotter, the valve must be kept closed and the cylinder must be removed to an area where no one will be injured should it explode. To cool it down, jets of water should be placed on to it, even for hours if required.

71.11.2.1.4 Do not attempt to use regulator assembly on a cylinder for which it is not designed. Hydrogen, acetylene and propane

regulators are fitted with left hand threads of the same size but Acetylene regulators should not be assembled on Hydrogen cylinders, which are filled, to a much higher pressure than is suitable (or safe) for acetylene or propane.

71.11.2.1.5 Under no circumstances should a cylinder used for storing one type of gas be used for storing another type. This is of particular importance with such gases as oxygen on the one hand and hydrogen or acetylene on the other. Mixing up the gases would produce a serious explosive risk.

71.12 TRANSPORTATION

A few common type of trucks used for transportation of cylinders are shown below.

71.12.2.1.1 A light truck is useful in changing Manifold cylinders.

71.12.2.1.2 Unloading cylinders is easier with balanced cradle.

71.12.2.1.3 Two-man carrier is particularly useful over rough places.

71.13 LEAKING CYLINDERS

Leaking Cylinders should be reported to the Safety Department who will take immediate action to dispose them, In case of small laboratory-size-cylinders of corrosive or poisonous gases, leaking cylinders should be placed under a hood that has the ventilation system running, until such time they can be disposed off.

71.14 REPORTING OF GAS CYLINDER ACCIDENTS

An accident caused in the use of gas cylinders involving loss of life or serious injury, has to be reported to the Chief Inspector of Explosives in accordance with the provisions of Gas Cylinder Rule 1940. This requirement is in addition to the similar requirements under the Factories Act and other concerned regulations, which are normally followed whenever a serious accident is caused.

71.15 GAS CYLINDERS-IMPORTANT 'DONT'S'

71.15.2.1.1.1.1 **DO NOT ISSUE** a cylinder to plant unless contents are clearly identified.

71.15.2.1.1.1.2 **DO NOT ISSUE** a gas cylinder in process unless contents are identified.

71.15.2.1.1.1.3 **DO NOT** Handle cylinders or valve assemblies with greasy hands or oily rags.

71.15.2.1.1.1.4 **DO NOT** Lubricate cylinder valve threads.

71.15.2.1.1.1.5 **DO NOT** use cylinders as rollers, work supports or jacks.

71.15.2.1.1.1.6 **DO NOT** stack cylinders near sources of heat or in direct sun.

71.15.2.1.1.1.7 **DO NOT** Lay cylinders direct on wet soil.

71.15.2.1.1.1.8 **DO NOT** place cylinders against wall or bench unsecured.

- 71.15.2.1.1.1.9 **DO NOT** Keep cylinders in battery charging room or in oil storeroom.
- 71.15.2.1.1.1.10 **DO NOT** Allow cylinders to come in contact with electrical apparatus or live wires.
- 71.15.2.1.1.1.11 **DO NOT** Allow empties to remain idle in the factory. Return them for refilling and reuse.

71.16 Compressed Gas Listed In Order Of Hazard With Cylinder Pressure

Acetylene	250 PSI
Oxygen	2200 PSI
Hydrogen	1800 PSI
Chlorine	450 PSI
Ammonia	250 PSI
Nitrous Oxide	800 PSI
Sulphuric Dioxide	300 PSI
Nethyl Chloride	300 PSI
Propylene	300 PSI
Ethylene	1800 PSI
Nitrogen	1000 PSI
Carbon Dioxide	1 000 PSI

71.17 STORAGE OF HAZARDOUS CHEMICALS

Ref Letter No. 33(2)-89 Genl./961-63 dt.9.3.90 from Directorate General of Mines & Safety.

Every container of a hazardous chemical shall be clearly labelled or marked to identify:

- 71.17.2.1.1 The contents of the container.
- 71.17.2.1.2 The name and address of the manufacturer or importer of the hazardous chemical.
- 71.17.2.1.3 The physical chemical data as per criteria.

72 EXPLOSIVE-STORAGE AND USE

72 Regulation 48A-

- 72.2 (a) Explosive shall be transported in suitable containers.
 - 72.2.2.1.1 No person other than a competent person specially trained and duly authorized in writing by the Manager for the purpose shall issue, handle, transport or use explosives.
 - 72.2.2.1.2 Explosive shall be issued only to competent person upon written requisition signed by installation manager.

- 72.2.2.1.3 The preparation of charge, and charging and firing of explosives shall be done by the competent authority.
- 72.3 (b) Explosives shall be stored in a magazine in safe manner in the charge of a competent person and shall be checked for deterioration at regular intervals.
- 72.3.2.1.1 The magazine at offshore installations shall be so located that it is not frequented by persons and shall be away from living accommodation. It shall be mounted in a manner such that in case of emergency the same can be quickly discharged in to the sea.
- 72.4 Explosive shall not be stored together with detonators or any primed explosive.
- 72.5 Deteriorated explosives shall not be used.
- 72.6 All explosives issued from a magazine shall be accounted for and unused explosives shall be returned to the same magazine on the completion of the operation for which they were drawn.
- 72.7 A written record of all issues, use, and return of each explosive shall be maintained in a bound paged book kept for the purpose and shall be signed and dated by the competent persons in-charge of the magazine and shall be countersigned by the installation manager.
- 72.8 Persons storing, transporting or otherwise handling explosives shall not smoke or carry open lights.
- 72.9 Measures shall be taken to protect persons from special problems of using explosives under water.
- 72.10 Precautions shall be taken to safeguard against dangers from stray electric currents.
- 72.11 The firing lines and detonators wire shall be kept short-circuited during charging operation. The connection between detonator and firing line shall be made just before firing.

73 PRECAUTIONS DURING LOADING AND UNLOADING OF PETROLEUM TANKER

- 73.2.2.1.1.1.1 Every tanker while it is being loaded or un-loaded and until its valves have been shut and filling pipe and discharge faucets closed, shall be attended by a competent person authorized for the purpose.
- 73.2.2.1.1.1.2 Loading and unloading of tankers carrying petroleum shall be performed during day light hours.
- 73.2.2.1.1.1.3 Provided that when it is necessary to carry out such operations after day-light hours, these shall be performed with such precautions as may be specified in writing by the Manager or installations Manager.
- 73.2.2.1.1.1.4 In the loading and unloading area all pipe-lines, filling and delivery hoses or metal pipe, metallic loading arms, swivel joints, tanks, chassis of tankers shall be electrically continuous and be efficiently earthed.

73.2.2.1.1.1.5 No mechanically propelled tankers on land shall be loaded or unloaded until its engine has been stopped and battery isolated from the electrical circuit and electrically isolated. The engine shall not be re-started and the battery shall not be connected to the electrical circuit until all tanks, and valves have been securely closed.

73.2.2.1.1.1.6 Provided that where special conditions exist which make the compliance with the provision of this sub-regulation reasonably practicable, the Chief Inspector may by a general or special order in writing and subject to such conditions as he may specify in such order, grant relaxation from the aforesaid provision.

73.2.2.1.1.1.7 Adequate Fire-Fighting equipment shall be kept readily available during loading and unloading of tankers for immediate use.

74 STORAGE TANK

74.2.2.1 (c) Every tank for the storage of petroleum in bulk shall be constructed of iron and steel in accordance with the specification approved by the Chief Inspector through a general or special order in writing.

74.2.2.1.1 The tanks shall be erected on firm foundations or supports of non-combustible material in accordance with sound engineering practice.

74.2.2.1.2 The height of a storage tank shall not exceed one and a half time its diameter or twelve meters whichever is less.

Explanation— For the purpose of this sub-regulation the height of a tank shall be the height from its bottom to top curb angles.

74.2.2.1.3 An air space of not less than 5 percent of the total capacity of the tank or the space prescribed in the specification referred to sub-regulations (1) (a), whichever is less, shall be kept in each tank

74.2.2.2 (d) Every tank after being installed or re-installed and before being put in use shall be pressure tested by a competent person so as to ensure that it is free from any leakage and is suitable for storage of petroleum.

74.2.2.2.1 (A report of such test shall be maintained in a bound paged book kept for the purpose and signed and dated by the person making the test.

74.2.2.3 (e) Every tank installed above ground having capacity in excess of 1000 cubic meters shall be separately enclosed with a dyke or bound constructed above the ground level with an enclosure volume not less than the capacity of such tank.

74.2.2.3.1 All enclosures mentioned in clause (a) shall be provided with proper discharge system to prevent accumulation of Oil or Water in the enclosures.

74.2.2.4 (f) Every storage tank including its roof and all metal connections shall be electrically connected with the earth in an efficient manner.

- 74.2.2.4.1 The effectiveness of earthing shall be tested once in twelve months. The result of every such test shall be recorded in a bound-paged book kept for the purpose and shall be signed and dated by the person carrying out the test.
- 74.2.2.5 Every storage tank shall be protected against lightning by suitable lightning arrestors.
- 74.2.2.6 (g) No person shall enter or be permitted to enter a tank for cleaning or maintenance unless the tank has been examined by a competent person and found to be gas-free.
- 74.2.2.6.1 When it is necessary to enter into a tank which is not gas-free, persons who are required to enter the tank shall be provided with approved type of self contained breathing apparatus or a full face piece mask of approved type with a pressure supply of reparable air.
- 74.2.2.6.2 During the whole time that any work of cleaning or maintenance inside a tank is progress.
- 74.2.2.6.2.1 A competent person who is qualified to administer artificial respiration and first aid shall be present on the spot throughout and
- 74.2.2.6.2.2 Approved portable hand lamps shall be exclusively used in such work.
- 74.2.2.6.2.3 Adequate number of approved type self-contained breathing apparatus or full-face piece mask shall be kept available for use in emergency.

75 STORAGE AND PRESERVATION OF ELECTRONIC EQUIPMENT AND COMPONENTS

75 Causes of deterioration

- 75.2 Shocks, hits, vibrations and compression can cause wearing of Electronic equipments resulting in false readings, structural failures or fractures.
- 75.3 Extreme temperatures and humidity can cause the sub-components to lose their natural properties and thus the equipment may dysfunction.
- 75.4 The electronic equipment shall be saved from dust and sand.

76 Precautions to be taken during storage and use

- 76.2 Mechanical damaging factors shall be eliminated by handling them carefully and providing suitable packing while moving. Necessary marking on boxes/cartons i.e. "Handle with care-Electronic Instruments", "Save from Rains and Sunlight", "Keep the box upright" with necessary arrow marking etc. can help to reduce handling damages.
- 76.3 Temperature should be maintained as specified for instrument for operation and storage by use of air- conditioned room.
- 76.4 Equipment are sealed in dry, clean and dust free atmosphere.

- 76.5 Periodical warming and cleaning of equipment is desirable.
- 76.6 Exposure to ultraviolet radiation of high intensity help in retarding fungus growth
- 76.7 The equipment should invariably be stored under covered accommodation.

77 STORAGE AND PRESERVATION OF MEDICINES

77 Causes of deterioration

Chemical incompatibility, acidity, hydrolysis, trace element, metals, atmospheric conditions light and heat can affect medicinal substances in such a manner as to vitiate or nullify their therapeutic usefulness.

As the medicines are “perishable items” (with limited shelf life) therefore their care and storage is of vital importance

78 Precautions to be taken during storage and use

- 78.2 Medicines should be stored in cool and dark place as the drugs are liable to undergo chemical deterioration as a result of high temperature and exposure to air, moisture and light.
- 78.3 Short life drugs, serum and vaccines lose their potency after the prescribed period. It shall therefore be ensured that they are consumed / issued within their life period.
- 78.4 While buying the medicines it shall be advised to the supplier that on date of supplies, medicines shall have minimum of 80% of their shelf life so as to minimize losses attributed to shelf life.
- 78.5 The important groups of medicines like injections, vaccines, and sera etc. should periodically be examined.
- 78.6 On the basis of deterioration due to high temperature, the storage shall be classified in following two groups:
 - 78.6.2.1.1 Medicines requiring storage at temperature below 10 degree C- example sera, anti-toxins, vaccines, antigens, penicillin, blood and plasma. These medicines shall be stored in a refrigerator.
 - 78.6.2.1.2 Medicines requiring storage between 10 degree C to 26 degree C. Example Hydrogen Peroxide, ointments and liniments, tonic acids, essential oils and Ergot and its preparations. Such conditions can be provided by installing air conditioner when such facilities do not exist storage shall be at dark place.
- 78.7 The container should be kept well closed, air tight and in good condition
- 78.8 Care in transportation, collection and distribution is of utmost importance, particularly in warm climate as any deterioration resulting from undue exposure to heat cannot be restored by subsequent cool/cold storage.

79 PRESERVATION OF TIMBER

79 STORAGE

79.2 GENERAL

79.2.2 Timber is to be protected from sun, rain, etc and is to be stored under cover in an "Open" type shed in preference to a "Closed" one as the former permits better ventilation. The shed, however, is to be constructed that protection against driving rain, etc is afforded.

79.2.3 Stored timber is to be raised at least 9 in off the floor or ground on sleepers which have previously been treated with creosote and solidly laid and spaced from 2 to 4 ft apart, according to the thickness of the creosote. Clean wooden battens are to be placed on the sleepers so as to prevent any creosote from coming into contact with the stored timber.

79.2.4 Timber in storage is to be arranged in stacks by either of the following methods whichever is the most convenient:-

79.2.4.1.1 **THE 'STICK' METHOD** planks are to be laterally separated at least 1/2 in, from each other, and "Sticks" (Strips of about 1 in square) of even thickness are to be laid across and between each layer so as to allow free air circulation. The "Sticks" are to be positioned directly above the foundation sleepers so as to form "vertical" lines of Sticks, each line having a foundation sleeper at its base. The correct positioning of "Sticks" in the stack is most important since, otherwise, bending and warping of the stored timber is likely to occur. The "Stick" used are to be dry and free from fungus rot and disease, and they are to be clean so as to avoid any staining of the stored timber, as stains, particularly on hard woods, are very often difficult to remove.

79.2.4.1.2 **THE 'CABINET METHOD'** "Sticks" are not used in the "Cabinet" method of storing timber. Planks are to be laterally separated from each other to an extent dependent upon their width and consistent with the stability of the stack, and planks in each alternate layer are to be placed over the spaces in the layer below. The "Cabinet" method is only practicable where the timber is of sufficient width to provide self-support, and the "Stick" method, described in sub Para 4 (a) above, is normally the method to be preferred. The "Cabinet" method however, is economical in that "Stick" are dispensed with.

79.2.5 When stacked in the open the upper layers of stacks are to be progressively reduced in width so as to form a sloping roof which, when covered with tarpaulins, etc, diverts rainfall etc, from the stack. Coverings, however, are to be arranged so that free air circulation is possible throughout; an open air space should be left between the cover and that ground at the base of the stack.

79.2.6 Stacks of unseasoned timber are to be approximately 6 ft. wide and those of seasoned timber approximately 8 ft. wide. Heights of stacks are not to exceed their width, or otherwise they are likely to become

unstable. Planks of similar thickness are to be stacked together and those of dissimilar length are to be "Sized" as far as possible, the planks in each layer being arranged in order of length so that the shortest planks are piled at one side of the stack and the longest at the other, one end of the stack being made even faced and perpendicular.

79.3 PLYWOOD AND OTHER LIMINATED BOARDS:

79.3.2 Ply wood, etc, must be subject to damp and is always to be stored in a dry place.

79.3.3 Before plywood sheets, etc, are stacked for storage superficial dust is to be removed, as it is liable to absorb and retain moisture.

79.3.4 Moisture-proof cases containing plywood, etc, should not be opened until the contents are required to use. Any sheets remaining after issues have been made are to be kept in the case, the top of the case being covered with moisture-proof paper and weighted down. Plywood sheets, etc, other than those in moisture-proof cases are to be stacked flat on each other and supported off the floor on a strong, flat wooden base.

80 INSPECTION

80.2 , nevertheless, Stocks of timber are to be carefully inspected at regular intervals in order to detect signs of rot, decay, fungal attack or pest infestation. The inspection of unseasoned timber may be carried out at the same time as the timber is turned and re-stacked.

80.3 Seasoned hardwood timber stored in the open is to be inspected at least twice a year during the period of June to October in order to detect infestation by powder pest beetles.

80.4 Plywood is similarly to be inspected at regular intervals and any showing sign of mould, decay pest infestation is to be withdrawn at once from the stack.

80.5 In addition to this regular periodical inspection of stocks "Patrol" inspection of timber and plywood store-houses is to be carried out at intervals to check general storage conditions, and at the same time a visual examination of stocks chosen at random is to be made to detect any incipient deterioration.

81 PACKING AND TRANSPORTATION

81.2 PLANKS

Provided it is sufficiently robust, no packing other than securing in bundles with tensional steel strapping is necessary when timber in the form of planks is being prepared for transportation. Bundles should be made up of planks or pieces of even length and thickness wherever possible.

81.3 SHEETS

Plywood and other sheet forms of timber are to be packed in crates for transportation or in cases of dispatch containers are used; they are to be clean and dry. Before commercial grade plywood is packed, it is to be ensured that any necessary treatment referred in para above has been satisfactorily applied.

82 PRESERVATION OF LEATHER MATERIALS

82 General

82.2 Leather is divided into the following two main groups both of which are purchased for use, either as raw material or in the form of equipment:-

82.2.2.1.1 **HEAVY LEATHER** As used for hydraulic washers, backing pieces, hose strips, straps, mill-bands and belting.

82.2.2.1.2 **LIGHT LEATHER** As used for aprons, gloves, and upholstery.

The method of tanning and treatment during manufacture will vary according to the type of leather being produced. Types of heavy leather which are highly flexed in use, such as belting and harness leather are subjected to an additional process known as currying. To the expert, curried leather can be recognized by its appearance, flexibility and slightly- greasy feel.

83 STORAGE CONDITIONS:

83.2 It is important that leather or equipment manufactured wholly or partly from leather is stored in a dry and well ventilated building. Leather should not be stored in a draught or exposed to strong light.

83.3 Bins and Racks are to be provided with canvas curtains and top covers to protect the leather from excessive light and dust.

84 MOULD GROWTH

Leather is very prone to moulds and, if stored in damp or humid atmospheres, moulds will soon appear. If moulds develop they should be wiped or brushed off, and, provided the mould has not been allowed to develop to a serious degree, it will have had no appreciable effect on the serviceability of the leather. Further, mould growth is to be prevented by ensuring that storage conditions are in accordance with para 2.0 above.

85 DRYING

If leather has been allowed to become wet, care should be taken to ensure that it is dried slowly, no accelerate means of drying are to be adopted.

86 PRESERVATION

86.2 If stored under reasonable conditions, leather will remain in prime condition for many years and rot-proofing or preservative treatment additional to the incorporated during manufacture is not normally necessary. If conditions of storage are unavoidably bad, some degree of preservation may be desirable but only on certain classes of leather. In no circumstances is oil or grease to be applied to the following types of leather:

86.2.2.1.1 glove :

86.2.2.1.2 Chamois ; or

86.2.2.1.3 upholstery hides

Heavy leather sheets should be turned over at least once in every six months of storage. The materials should on no account be stacked on to a concrete floor.

- 86.3 Metal parts of leather equipment are to be suitably protected.
- 86.4 Leather articles in which woolen textiles are incorporated are liable to damage by moth, etc. and wherever possible should be dusted or treated with moth preventive.
- 86.5 Soap yellow is the authorized preservation, where it is important to maintain the stiffness or rigidity of the shape of the store e.g. blocked leather items and articles made from uncurried vegetable tanned leather. The soap is applied to the grain side of the leather to prevent cracking. Dubbin is the correct preserving for curried leather and articles made there from which have to be maintained in a self and pliable condition. An exception to the rule being leather accoutrements (personal leather equipments) which should invariably be preserved with soap yellow, even if made from curried leather.
- 86.6 All leather articles should be thoroughly cleaned prior to the application of the appropriate preservatives. Cleaning with a dry brush has found to be sufficient in most cases to remove dust, dirt and other adhering impurities. The leather should not be washed with soda or soaked in water nor dried before an open fire. After the leather has been thoroughly cleaned, the best method of applying preservatives is to work it into the leather by means of a rag sponge or by hand when the article is in a moist condition. The preservatives should be applied on the correct surface of the leather. After the application of the preservatives the leather should be left aside for 2-3 days to allow the preservatives to be thoroughly absorbed. Then the stores are cleaned by wiping with a dry cloth before taken into use or storage.

87 INSPECTION

Stocks are to be examined at least once every six months. For heavy leather this can conveniently be done when stocks are turned over in accordance with paragraph above. Any signs of mould are to be regarded as an indication that the storage conditions are unsuitable. In these circumstances the leather is to be cleaned and stored under the conditions prescribed in Para above.

88 PACKING AND TRANSPORTATION

- 88.1 When packing leather equipment, damaged from moisture, oil and abrasion should be guarded against. As a general rule, leather equipment is to be wrapped in paper and packed in cases, wood packing, lined with a moisture and grease-resisting paper; Care is to be taken to ensure that the leather is not damaged by undue folding or deformation when packed. Belting, however, may be packed in rolls, and covered with grease resisting paper. Chamois skins may also be packed in rolls and protected against moisture and grease.

89 Public Procurement Policy for MSEs- Order 2012 - Refer following circulars:

Circular No.	Subject / Details
28/2012 and 18/2014 dated 05.10.2012 and 12.11.2014	Implementation of Public Procurement Policy for MSEs-Order 2012.
03/2014 dated 17.04.2014	Public Procurement Policy for MSEs-2012
19/2014 dated 12.11.2014	Correction to the Circular No. 18/2014 dated 12.11.2014.
16/2015 dated 24.04.2015	To address where both the schemes viz. Preference to Domestically Manufactured Electronic Products (DMEP) in Government procurement and PPP-2012 are applicable.
29/2015 dated 17.07.2015	Participation by MSEs in ONGC tenders and splitting tendered quantity among bidders in cases where Govt. policy for purchase preference is involved.
30/2015 dated 18.07.2015	Splitting tendered quantity among MSE bidders and Methodology for holding negotiation in cases involving purchase preference to eligible bidders.
3/2016 dated 15.01.2016	Facilities/ Benefits under Public Procurement Policy - Judgement dated 02.11.2015 of Hon'ble High Court of Delhi, in case of IOCL Vs Bansal Brothers.
9/2016 dated 10.03.2016	System improvement measures in execution of contract and Capital Asset verification.
14/2016 dated 31.03.2016	Splitting tendered quantity among bidders in cases where Govt. policy for purchase preference is involved.
53/2016 dated 29.12.2016	Participation by MSEs in ONGC tenders where Govt. policy for purchase preference is involved.
09/2017 dated 27.02.2017	Benefit to MSEs under Public Procurement Policy.
18/2017 dated 15.05.2017	Public Procurement Policy for MSEs-2012
22/2017 dated 08.06.2017	Review of Negative List of services for which provisions for MSEs are not applicable

44/2017 dated 20.09.2017	Collection of data from Micro and Small Enterprise (MSE) sub-contractors and entry in ICE system.
47/2017 dated 24.10.2017	Allowing Preference to MSEs when in competition with firm(s) participating under Purchase Preference Policy (linked with local content) (PP-LC)
11/2018 dated 20.03.2018	Allowing applicable benefits to MSEs
39/2018 dated 01.08.2018	Financing of trade receivables of MSEs through TReDS (Trade Receivable Discounting System) platform in ONGC Procurements.
49/2018 dated 10.09.2018	Reporting of procurement of material/services from MSE sub-suppliers/ sub-contractors in LSTK Contracts.
54/2018 dated 04.10.2018	Participation of MSEs in ONGC tenders on the experience / financial strength of companies other than MSE.
61/2018 dated 19.11.2018	Enhancement in the target value for procurement from MSEs
09/2019 dated 11.06.2019	Allowing eligible MSEs to avail benefits of Public Procurement Policy.

89.1 To verify the genuineness and validity of the certificate(s) issued by NSIC under its Single Point Registration Scheme, concerned dealing officer should check from the link "Verification of SPRS Certificate" existing on NSIC's website www.nsic.co.in wherein by entering GP registration number of the unit(s). In addition, the verification of SPRS certificate can also be done by visiting SPRS online website i.e. www.nsicsonline.com.

89.2 Reports to Govt. relating to Public procurement Policy for MSEs – Order 2012

In accordance with the provisions of the Public Procurement Policy certain reports are to be submitted to the Govt, on regular basis. Suitable provision exists in the system to capture relevant data in respect of the POs/Contracts placed on MSEs. Dealing officer should ensure that while creating PO/Contract, the required field in the system under "Customer Data" tab at header level, is duly updated.

(MM/63/2021 dated 22.03.2021)

90. Specific Provisions related to Startups:

90.1 The definition of "Startup" shall be as per Gazette Notification G.S.R. 127(E) dated 19.02.2019 (as amended) of Govt of India.

As per aforesaid Gazette Notification, the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry has defined Startups as under:

“An entity shall be considered as a Startup:

(i) Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.

(ii) Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.

(iii) Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a ‘Startup’.”

MM/93/2023 dated 08.06.2023

90.2 Deleted

MM/104/2023 dated 22.09.2023

90.3 For availing exemption from furnishing EMD/Bid Security, for seeking Development Order and relaxation from Prior Experience Criteria (as detailed as Para 90.4 below), Start-ups are required to submit the following documents:

(i) Registration Certificate issued by Department for Promotion of Industry and Internal Trade (DPIIT), earlier known as Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce, certified by Start-up Director/Partner.

[The certificate shall be validated by dealing officer through Startup India portal, of GOI (<https://www.startupindia.gov.in>).]

A declaration from the Directors/Partner of the start-up stating that bid is submitted by Start-up as Manufacturer of the quoted item (in case of procurement of Goods)/ Provider of quoted services (in case of procurement of services) and not as a trader/dealer/distributor.

90.4 In case Start-up does not meet the Experience Criteria as per BEC, but they have successfully executed a Purchase Order placed by ONGC/OIL/IOCL/HPCL/ BPCL/GAIL and the material supplied has been used in field satisfactorily, then such Start-up bidders will be considered as proven source for that material. Such Start-up bidder will be considered meeting the

experience criteria stipulated in BEC akin to bidder having successfully executed Development Order. (However, this relaxation will not be applicable for cases as detailed under para 90.5 below). Otherwise, Start-up can submit their proposal separately, and not against the instant tender requirement, for Development Order to INDEG Cell, ONGC about its product/services along with the documents as mentioned at para 90.3. Development order procedure as per Para 17.2 of IMM Manual shall be followed in this regard.

Further, in case start-up wants to offer their product/service even though ONGC has not floated any tender for the same, but the material/service is being regularly required by ONGC, Start-ups can submit their proposal requesting for Development Order, for a particular item or Services to INDEG Cell. After examining the proposal of the Start-up, by following the similar process as per development order procedure, development order may be awarded.

For this purpose, link will be provided in ONGC tender website, regarding 'relaxations available to Start-ups'.

90.5 Start-ups shall be considered as established source for supply of such items/providing such services, for which they have successfully executed development order and they will not be required to submit documents for satisfying experience criteria as per BEC, except for following cases:

- (i) LSTK Contracts
 - (ii) Tenders wherein QCBS/LCS shall be adopted as per policy guidelines.
 - (iii) Items/services falling under the category related to public safety, health, critical security operations and equipment etc. (with adequate justification from Indenting section duly approved by sanctioning authority (L-1 Level executive shall have full powers in this regard)).
 - (iv) Service contracts in connection with offshore operations.
- For the above cases, Start-up, even after successful execution of development order, shall be required to meet experience requirement as stipulated in tender in full and no relaxation from 'Prior experience Criteria' will be provided.

90.6 In consultation with work centers, INDEG will publish, the list of items/services (except LSTK contracts) on ONGC tender website "www.tenders.ongc.co.in" from time to time for inviting EOIs from Start-ups. Start-ups will submit their detailed proposal for consideration of ONGC for placement of development order. Efforts will be made so that there will be time gap between development of Start-up through EOIs and intivation of regular tender for the item to allow Start-ups to participate.

Development order procedure as per Para 17.2 of IMM Manual shall be followed in this regard.