

**Policy for Award of Contract
&
Contracts Systems and Procedures**



Oil India Limited

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FOREWORD

It is a great pleasure for me to write the foreword to the Contract Policy and Contract Systems & Procedures Manual of Oil India Limited. It is one of the important manuals which will provide guidance to the transactions in Contracts Department from the stage of receiving a Purchase Requisition to the stage of award of Contract and then to the final stage of closing the Contract. Its compilation is very much needed as it embodies the existing practices and also some good contracting practices followed in other Public Sector Undertakings have been brought into the system. It has been the endeavour of the Contracts Department of Oil India Ltd to be one of the best in the matter of getting works executed by proper method of contracting, and in this direction the Manual would be of great help.

2. The Manual attempts to bring about a total procedure with regard to all the steps involved in dealing with bids for the works and services including consultancy services for award of contract, such as, receipt of Purchase Requisition, BRC/BEC including qualifying requirements, type of bidding, i.e. invitation for open bids, limited bids and single bid, pre-bid conference wherever required, the form and amount of Bid Security, exemption from Bid Security, receiving of bids, opening the bids, evaluation by a committee, recommendations for approval for award, awarding the contract etc. and how to deal with the post award matters such as extra clauses substituted and new items and prices thereof. It also incorporates guidelines for implementation of Integrity Pact for greater transparency in procurement procedure of Works / Services. Further, the Manual lays down the cost of bid documents, the quantum of Performance Security, Retention money amount etc. for different values of works / services to be collected from the parties and when the forfeiture or return of the Bid Security or other securities is to be done. It also lays down the norms of closing the contract etc. The guidelines for e-procurement and reverse auction has also been incorporated in the Manual. The Manual has also brought out procedure involved in resolution of disputes through mutual consultation, conciliation through Outside Expert Committee(OEC) and arbitration. The topics included in the Manual have been quite comprehensive and attempts have been made to bring full clarity. The Manual will be updated from time to time to bring in new procedures and systems depending upon the need and such updation shall be carried out as and when Central Vigilance Commission, Administrative Ministry, etc give directions on various contractual matters. I have no doubts in saying that the Manual will be a good guide for all the Executives involved in various aspects of the contract job.

3. It is a long desire that Oil India Limited as an organization should have a standardised system and procedures for Contract Management. Contract Systems and Procedure Manual is one such step which has become a reality now and I thank Shri S.K. Bora, GGM(S) and all the Executives of Contracts Department especially Shri AC Bhatta, Head (Contracts), Shri U R Borah, CM (C), Shri Anurag Gupta SM (C) and the Executives from other Departments without whose involvement and dedication, the compilation of this manual would not have been possible. I also thank Shri Narasimharamulu Pantam, our Adviser, who provided valuable guidance, inputs & suggestions in compilation of the Manual. I am told that the General Conditions of Contract for Works and Services are being reviewed and soon it will be in place. In this connection it is to be emphasized that all good corporate practices should find their due position in our organization. In this endeavour, let all of us work and fulfil the dream of having good corporate governance.

(T.K.ANANTH KUMAR)

Date: 26.10.2009

DIRECTOR (FINANCE)

PART - I
Policy for award of Contract



Oil India Limited



PART- I :: Policy for Award of Contract

POLICY FOR AWARD OF CONTRACT

FOR WORKS AND SERVICES

1.0 OBJECTIVE

Objective of this Policy is to lay down the broad guidelines to be followed in the timely award of contracts for construction or operation or maintenance of plant, equipment, buildings, roads and other assets or other services for the organization at competitive price from competent sources.

The Policy has been formulated to permit decentralized (sphere-wise) execution and administration:

- a. with a view to achieving the organizational goals in the most efficient and effective manner of making available the construction, operation or maintenance of the needed plant, equipment, building, roads and other assets and services:
- b. in the right quality and quantity at the right time and at the right price after giving fair and equal chance to bidders, subject to the guidelines laid down here and in the Contract Manual so as:
- c. to obtain optimum value for each unit of expenditure.

Save otherwise provided in this Policy, all contracts for works shall be awarded by the Contracts Department.

2.0 INITIATION OF PROCUREMENT /AWARD ACTION

All award actions will be initiated on the basis of approved Purchase Requisitions indicating the provision in the Budget Provision and Technical Sanction.

The Contracts Department will receive the Requisition for the contracting of works duly approved by Competent Authority, keeping themselves informed of all the available reliable and capable executing agencies for the Works/Services, Prices, Taxes, Lead Time etc. and plan and organize action to procure the Works, maintain a keen follow-up and organize quality control till the order is executed and also arrange systematic co-ordination by means of proper contract administration. The Requisition shall accompany a detailed Scope of work, Technical specifications, Approved BRC/BEC including Bidder's Qualifying Requirements, Special conditions of contract, Schedule of quantities including Price Format), Bid Document sheet envisaging changes if any of the General Conditions of Contract etc duly indicating the estimated value of work.



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3.0 IMPORTANCE OF TIMELY AWARD OF CONTRACT

The Indenting Department shall indicate the time by which the award shall be placed. The Contract and the Indenting Departments shall discuss between them and agree upon a schedule of programme of award of work starting from the PR date to Award date.

4.0 GOVERNMENT OF INDIA DIRECTIVES

The contents of the Works Policy shall be consistent with the applicable guidelines if any issued by Government of India from time to time. In case of any difficulty, a reference may be made to Board of Directors of Oil India Limited explaining fully the facts and to seek their direction and guidance for facilitating economical award of contract for works of the organization.

5.0 CVC GUIDELINES

The contents of the Works Policy shall be consistent with the guidelines issued by Central Vigilance Commission from time to time. However, in case of any difficulty in implementation of the guidelines whole or part, a reference shall be made to Board of Directors of Oil India Limited explaining fully the facts and to seek their direction and guidance for facilitating economical award of contract for works of the organization.

6.0 INVITATION OF BIDS

a. Open Bidding

Generally attention of all known, reliable and proven sources of supply of particular work, equipment or materials or services will be drawn to the requirements of Oil India Limited and they will be allowed to quote with a specific Qualification Requirement, BEC and BRC.

In the case of works/services which are of major value requiring open tendering and are important on account of critical nature, engineering expertise, recurring nature etc. a pre-qualification procedure through Expression of Interest (EOI), in order to avoid time consuming repetitive press tenders, can be adopted for selecting reliable parties to whom the bid invitation may be issued. This shall be done once in three years by advertising in two or more dailies of repute, in addition to two local news papers of the area where the work is to be executed. The criteria for pre-qualification will *inter-alia* consist of past performance, financial soundness, technical competence, organizational capability etc. commensurate with the requirements. A screening committee of appropriate level specially constituted for the purpose will analyse and evaluate the response to these requirements and prepare a category list of the qualified contractors based on the qualification criteria, which will be valid for three years from the date of its preparation. When invitation for bid is sent to all such qualified parties, it shall be treated as open-bidding.



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In the case of works which are not of major value, following the pre-qualification criteria, a list of competent and capable experience contractors may be maintained. For this purpose an advertisement in two or more local dailies and one or two national dailies depending upon knowledge of available sources, may be issued to enlist them. A Screening Committee of appropriate level may be constituted to analyse and evaluate the response to these requirements and prepare a category list of the qualified contractors based on the qualification criteria, which will be valid for three years from the date of its preparation. When invitation to bid is sent to all such parties, it shall be treated as open-bidding.

Wherever necessary particularly in the absence of enlistment of contractors for a particular type of work, open-bidding with BEC/BRC including Bidder's Qualification Requirement may be resorted to by publication of Invitation of Bids in two or more news papers of all India repute or local repute depending upon the value and importance of the work. The tender evaluation in this case will take into consideration that the Qualification Requirements specified in the advertisement has been fulfilled by the bidders.

In cases where all possible sources for a particular requirement are known, addressing to all these parties in-lieu of the publication in newspapers will serve the purpose.

While resorting to advertisement in news papers, in view of significant cost involved in advertisement, it is necessary that a brief advertisement appears in the news papers while drawing attention of the interested parties to detailed Invitation for Bid appearing in the website of the organization.

However, till pre-qualification exercise for all categories of works is finalized (at least 1.1/2 year), the competent authority may decide to follow a procedure which meets the requirements of the Objectives of this Policy.

b) Limited Bidding:

Limited bids may be invited under grounds of urgency and/or only for the works which are not of a major value from not less than four parties from amongst the list of parties approved as above. The Delegation of Powers shall specify the competent authority and its powers. Single response against such invitation of bids shall be treated as single bid for the purposes of Delegation of Powers. The names of the parties from whom the Limited bids are proposed to be invited and grounds of urgency are to be recorded and approved by competent authority. However, till pre-qualification exercise for all categories of works is finalized (at least 1.1/2 year), the competent authority may decide to follow a procedure which meets the requirements of the Objectives of this Policy.

c) Single bid:

Where single source is contacted under grounds of urgency or on grounds of proprietary nature or on account of standardization it will be treated as a single bid. In case of works of proprietary nature or standardized, a certificate to that effect will have to be issued by



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the Indenting Department at the appropriate level in each case. Source standardization will be for a three years and will be approved by a Committee consisting of representatives of Indenting Department, Contracts Department and Finance Department. Contracts on the basis of single bid will be awarded with the approval of competent authority as per DOP.

7.0 ISSUE/SALE OF BID DOCUMENTS:

There shall be fixed on case to case basis a price for the sale of Bid Documents. The price fixed shall be payable by the applicant for issue of Bid Documents. However the Bid Documents may be issued free of cost in case of limited and single bids. The Bid Documents are not transferable and the bids shall be accepted only if they are in the form issued/sold to the party.

8.0 REASONABLE TIME FOR BID SUBMISSION:

It is important that sufficient time say a minimum of 15 days, is allowed to the bidders to quote for the works notified for bidding. The period allowed for bidding may be reduced under grounds of urgency. While there is no bar to decide a longer period, consistency shall be maintained in fixing the time which shall be fair to all prospective bidders. The period shall be such that within that period the bidders shall be able to quote.

9.0 BID VALIDITY

The bids submitted should have validity period as specified. Bids of shorter validity will be rejected as being non responsive. Only those bids which conform to the bid validity period as specified in the Bid Documents shall be valid

10.0 BID SECURITY

As a policy, the bids invited shall accompany the prescribed Bid Security. Subject to the Bid invitation conditions, bid received without Bid Security shall not be opened. The Invitation to Bid and Instructions to the Bidders shall stipulate the form, validity and amount of the Bid Security.

Generally the Bid Security can be in the form of a Bank Guarantee from any of the approved Banks. However keeping in view of the particular conditions of the bidders, the Bid Security in the form of Bank Draft / Banker's Cheque may be accepted.

Standing Bid Security also may also be accepted in case of bids invited from enlisted parties for works which are not of major value.

The conditions under which the Bid Security shall be forfeited shall also be specified in the Instructions to the Bidders.



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The Bid Security shall be liable to be forfeited as per the Bid Documents as stipulated in the Invitation to Bid or Instructions to the Bidders. The grounds of forfeiture may be the following:

- i) If the bid is withdrawn before the validity.
- ii) If the bid is altered before its validity or if the bidder increases the price before validity of the bid
- iii) If the bidder does not accept the LOA issued before the validity of the bid
- iv) If the bid is accepted by Oil India Limited and work awarded but the contractor does not furnish Contract Performance Security.

The Bid Security shall be returned to the unsuccessful bidders expeditiously after the award of the work to the successful bidder and acceptance thereof by it.

11.0 BIDDER TO MEET QUALIFYING REQUIREMENTS

The Invitation of Bids when done on Open Bidding basis i.e. on Post qualification basis, the bid that is the lowest, fully responsive shall also satisfy the Qualification requirement BEC/BRC prescribed for it in the Instructions to the Bidders and Bid Documents. Therefore the evaluation process shall end with determination of the bid as to its meeting the qualification requirements.

12.0 BID TO MEET IMPORTANT CONDITIONS OF BIDDING

The bid evaluation shall also take care of the aspect whether the bid is fully compliant with the bidding conditions or not. The bidding may specify that certain conditions of Instructions to the Bidders or Conditions of Contract are important and no deviation is permitted in regard to those conditions. In that case any bid not conforming to it and deviating from it will be rendered as non responsive and cannot qualify for evaluation and comparison.

13.0 BID OPENING, LATE BIDS, DELAYED BIDS ETC.

Bids shall be opened as specified in the Bid Documents on the date and time as per Invitation to Bid, in the presence of the representatives of the bidders, if they present themselves and a representative of Finance Department. Any bid received after the time and date set for the receipt thereof shall be rejected outright. Any bid received without accompanied by Bid Security shall be rejected.

14.0 BID EVALUATION

The bid evaluation shall be done strictly as per the Bid Documents and the matter shall be confidential and no clarifications on matters which influence the price or materially vary the bid shall be sought from the bidders while the evaluation process is on.



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15.0 BID EVALUATION COMMITTEE CONCEPT

As a system the bids received for a work shall be evaluated based on price quoted, cost compensating for efficiency parameters if any and deviations if any and BRC BEC including bidders' qualification requirements. Preferably such an evaluation may be carried out by a committee of officers representing Indenting, Contracts and Finance Departments of appropriate level called Bid Evaluation Committee. The Committee will in such a case prepare and submit Final Evaluation Report. The Final Evaluation Report shall be based on Technical Evaluation done by the Indenting Department and Commercial Evaluation done by Contract department both having been vetted by Finance Department. The Final Evaluation Report shall be placed before the competent authority for approval. Negotiations if necessary may also be recommended by the Bid Evaluation Committee and conducted with the approval of the competent authority.

16.0 CANCELLATION OF BIDS, RE INVITATION OF BIDS ETC.

If there has not been adequate response to an Open Bidding or if the prices quoted are substantially higher than the estimated prices and negotiation with the bidder has not met with any positive response, a decision may be taken either to accept the bid or to re-invite bids. The Bid Documents may be reviewed if necessary in that case so as to attract better competition. In case of single response against limited bidding, or in case a cartel is suspected, re-invitation of bids shall be normally resorted to. In exceptional circumstances, the bid may be accepted /negotiated but the reasons thereof will be recorded in writing and submitted to the competent authority.

17.0 POST BID DISCUSSIONS/PRE AWARD DISCUSSIONS, NEGOTIATIONS ETC

After evaluation of bids is over and the lowest evaluated bid which is fully compliant with the Bid Documents and technically and commercially responsive bid may be taken for selection for award of the contract. After approval of the competent authority, post bid or pre award discussions and negotiations with successful bidder as may be permitted by the competent authority may be carried out. The negotiated terms and conditions and the price shall be suitably incorporated in the Letter of Award and Contract Agreement entered into with the party accordingly.

18.0 PERFORMANCE SECURITY

A Performance Guarantee or Security as provided in the Bid Document may be accepted from the contractor. Generally the Contract Agreement shall be signed after the Performance Security is furnished by the Contractor; whereafter the Bid Security furnished by him may be released. The Performance Security shall be valid till six months after completion of the work or three months after completion of warranty obligations, whichever is applicable. The Performance Security shall be returned to the contractor as per provision in the Bid Document.



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19.0 PERFORMANCE OF THE CONTRACT, PAYMENT FOR THE WORK DONE ETC.

The contract administration and execution of the work is the basic responsibility of the User Department. User Department is responsible for measuring the work done and timely processing the bills for payment to the contractor and Finance Department shall make the payment of the bills to the Contractor.

20.0 DISPUTE RESOLUTION

In order that disputes arising in the course of the contract execution are settled expeditiously a Dispute Resolution Mechanism shall be in place. As a policy, the disputes between Oil India Limited and the Contractor shall be initially discussed and settled at Head of User Department level. If the dispute is still remaining unsettled then the Local Management level and the Contractor shall sit and settle the dispute amicably as per the provisions of the Contract. If the dispute still remains unsettled, it has to be referred to a Dispute Resolution Board comprising of an Outside Expert Committee to resolve the dispute amicably. If the dispute does not get resolved amicably at the Outside Expert Committee level, the same shall be referred to by the party concerned to Arbitration.

21.0 REPEAT ORDERS:

Repeat orders are to be normally avoided. However, Repeat orders may be placed against previous orders placed on Open Bid basis, without further going the normal procedures subject to the following:

- a) The date of repeat order will be immediately after the completion of earlier order;
- b) Value of the repeat order should not be more than the %age limit and value as mentioned in the Delegation of Powers;
- c) A reasonable assessment by the Contract Department that there has been no downward trend in prices;
- d) The prices against earlier order were not escalated to compensate for earlier deliveries.

No repeat order normally shall be placed against previous order placed on Single Bid basis.

22.0 ITEM RATE CONTRACT, LUMPSUM PRICE CONTRACTS ETC.

The bids generally are invited on the basis of item rates based on Schedule of Quantities and the bidders are required to quote rates for the quantities of items as mentioned in the schedule with or without price adjustment Depending upon the nature and type of works, bids may be invited on lump sum price basis where the bidder has to quote lump



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sum price for the entire scope of work with or without price adjustment during the contract period.

Apart from the invitation of bids on the above basis, there is also a practice of inviting bids on + or – percentage over the prices indicated against each item of the schedule of quantities. However this practice is not to be encouraged except under special circumstances for obvious reasons.

23.0 PURCHASE PREFERENCE

Normally no purchase or price preference is permissible. However as per the extant guidelines of Government of India from time to time, purchase preference may be allowed to the extent permitted. If there is a purchase preference available to a particular category or class of bidders shall be stated in the Bid Documents specifically.

24.0 PRICE ADJUSTMENT

The contract for works shall not normally have any provision for Price Adjustment. The Bid Documents for such works should clearly state that the prices quoted shall be firm and subject to no change.

However, competent authority depending upon the nature of work, may decide as regards the provision to be kept in the contract for price adjustment. to enable the bidders to quote prices which are subject to such price adjustment based on changes in the values of reliable published indices of labour and materials as per the Price adjustment formula in the Bid Documents. In such cases, Price Adjustment ceiling also should be provided for in the Bid Documents.

25.0 LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF THE WORK

As a Policy, the Contracts for Works shall contain provision with regard to levy of Liquidated damages for delay in completion of the work. The rate and ceiling of the Liquidated damages may be fixed suitably case to case by the competent authority.

26.0 CLOSURE OF CONTRACT

Upon performance of the Contract, the contract needs to be closed as per the guidelines in this regard.

27.0 SUNDRY REQUIREMENTS

Sundry requirements of works of small value may be awarded by the user departments themselves as per DOP after ascertaining competitiveness of the price by contacting at least three parties who are normally engaged in such works. A register may be maintained by the user department of such award of works for verification by Internal Audit.



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28.0 EMERGENT WORKS;

The award of contract for works on emergent basis may be governed by such guidelines as may be permitted by DOP and as per the provisions of the Manual.

29.0 DELEGATION OF POWERS

For smooth and efficient working of the organization across all business centres and for implementation of the Works Policy and the Contract Manual, a suitable delegation of powers to various executives of the company is envisaged. The Works Policy, the Contract Manual and the Delegation of Powers are subject to canons of financial propriety mentioned below.

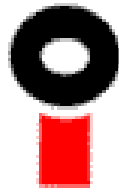
- i) Expenditure should not prima facie be more than the occasion demands:
- ii) Every employee of the company should exercise the same vigilance in respect of expenditure incurred from Public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

30.0 AMENDMENT OF THE POLICY

The Works Policy, The Contract Manual and Delegation of Powers shall not be altered except with the specific approval of the Corporate Business Committee/Board.

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PART - II
Contracts Systems and Procedures



Oil India Limited



PART- II :: Contracts Systems and Procedures

1.0 INTRODUCTION

The objectives of the Manual are multi pronged. It is a compilation of all procedures of Oil India Limited relating to works to be awarded to the right parties for right price. It deals with procedures in regard to the activities such as invitation of bids, bid opening, bid evaluation, selection of the contractor, award of contract, payments under the contract, disputes resolution mechanism, ultimately closure of the contract. Due observance of CVC and Government Guidelines in the processing of bids and selection of Contractors, is very important and guiding factor.

The Contracts Department deals with the subject of award of all contracts. The works may be Capital works, Revenue Works or Special Revenue works as the case may be. No other department of Oil India Ltd. ordinarily shall deal with the subject of award of the contracts The Works Policy is also made part of the Manual for better understanding of the systems which are based on such policy.

This Manual will be applicable for all Projects and Spheres of OIL for contracts systems and procedure, but does not deal with the subject of Procurement of Materials.

2.0 PRE-REQUISITE FOR INVITATION OF BIDS:

The activity of Invitation of Bids in the Contracts Department will commence with the receipt of a valid Purchase Requisition (PR) from the Indenting Department duly approved by competent authority. The PR should normally be accompanied by

- i) Detailed scope of work,
- ii) Amount of approved cost estimate (The detailed approved cost estimate shall be sent to Contracts Department in a sealed envelope before the bid opening in case of single bid and before technical bid in case of two bid system).
- iii) Budget provision and Management Approval & Expenditure Sanction with fund allocation;
- iv) Detailed Technical Specification for bidding purposes.
- v) Schedule of Quantities, with full description of items, their quantities, except the price to be quoted by the bidder.
- vi) Confirmation of readiness of site and other facilities required in execution of the job by the contractor.
- vii) The approved BRC/BEC including bidder's Qualification Requirements

2.1 The Purchase Requisition should indicate whether the work is Capital work or Revenue Work or Special Revenue Work by specifying Job Number. The Purchase Requisition shall indicate the



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date by which the award of contract is required to be made. Further, the Purchase Requisition shall indicate the time for completion of the work with reasoning.

- 2.2 The Purchase requisition shall indicate whether the contract price will be firm or subject to escalation. If the contract price is subject to adjustment, the indices to be specified, their coefficients and ceilings to be specified.
- 2.3 If the invitation of bids is to be done on limited bid basis, the Purchase Requisition shall indicate about the approval of competent authority as per DOP duly mentioning the grounds of urgency and the names of the parties whom the Indenting Department considers as capable and competent may be specified in the Purchase Requisition. The hard copy of the Purchase Requisition shall accompany the original approval of the competent authority for invitation of the bids on limited bid basis.
- 2.4 If the invitation of bids is to be done on single bid basis under grounds of urgency, the Purchase Requisition shall indicate the approval of competent authority as per DOP and the name of the party and address, their qualification, etc. The hard copy of the Purchase Requisition shall accompany the original approval of the competent authority for invitation of the bid on single bid basis.
- 2.5 If the invitation of bids is to be done on single bidding basis on grounds of proprietary, the Purchase Requisition shall indicate name of the party and address, their qualifications, along with approval of competent authority as per DOP. The hard copy of the approval of the competent authority for invitation of the bid on single bidding proprietary basis shall be forwarded to Contracts Department along with the signed Purchase Requisition.
- 2.6 In exceptional cases with reasons to be recorded in writing the Bid Documents may be prepared and bids may be invited for the new work or services in anticipation of financial sanction by competent authority. However, financial sanction must be obtained before issue of LOA.
- 2.7 In case of extreme Emergency conditions, the Management may permit invitation of bids or the award of contract in relaxation of the normal bidding procedures so that the work can be taken up and completed in the shortest time possible at reasonable cost. The Grounds of Emergency may be such as Machinery/Pipeline breakdown (including breakages and pilferage cases), blowout, fire, flood, earthquake, war, civil disturbance, etc. or when it is necessary to restore normal working (for reasons including those related to environment, safety and security) of equipment, machinery of drilling rigs, oil field installations, gas plants, pipelines, civil, mechanical or other works (including third party property). The Indenting Department shall record the grounds of operational urgency as mentioned above.
- 2.8 In the event of breakdown / capital overhaul of an equipment or major facility revamp works & services, where it may not be possible to assess the extent of repair action (at bidding stage) and cost estimates, the expenditure sanction may be obtained post inspection but before start of works. This is applicable only in case of equipment repairs through OEM / their authorized workshop. In case of facility repair / revamp such assessments should be carried out by a committee of representatives from Indenting Department, Finance Department & Contracts Department.
- 2.9 In all the above cases, approval of the competent authority and expenditure sanction for



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emergency works as per DOP is required.

2.10 Any change in scope of work shall require the approval of competent authority. Any specific and essential modifications of the scope of the work, subsequent to invitation of bids, may be done only with the approval of Competent Sanctioning Authority. Concerned L-4 Officer shall have full powers. The addendum / amendment shall be notified in writing to all prospective bidders who have received/purchased the Bid Documents. In order to provide reasonable time to the prospective bidders, for taking into account such amendment/ addendum in preparing their bids, reasonable time as may be essential but not less than two weeks time shall be allowed to the bidders for submission of bids after issuance of such amendment/addendum.

2.11 APPROVAL OF COST ESTIMATES

Cost estimate shall be prepared by Indenting Department before raising PR which is vetted by a Vetting Committee comprising L1 officers of Indenting Department, Planning Department, F&A Department and Contracts Department for the works/services of value exceeds Rs 25 Lakhs or any value limit decided by management. In case of estimate of less than Rs. 25 Lakhs, Vetting Committee is not involved, but the same will be prepared by Indenting Department only, subject to approval by concern L-4 officer.

2.12 TECHNICAL SANCTION

A proper detailed cost estimate based on specification, essential drawings and preliminary structural and service designs shall be prepared to accord of approval by the competent authority. The Sanction to the estimate must be obtained before the bids are invited. It indicates, it amounts to no more than a guarantee that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data.

2.13 BUDGET SANCTION

Budget Sanction to a project or part thereof shall be accorded by the competent authority according to DOP.

Budget sanction shall be accorded on the basis of cost estimates and the scope of work.

2.14 EXCESS OVER BUDGET SANCTION

2.14.1 During Placement of LOI/ Award of work/ Letter of Award (LOA)

In case, any excess over the sanctioned amount is known before bidding or during bidding, the bidding process shall not be held up for want of additional Budget sanction. However, LOI / Award of work/ Letter of Award (LOA) shall not be issued without obtaining expenditure sanction inclusive of additional sanction, if any. Parallel action shall be taken by Indenting Department for additional budget sanction.

2.14.2 Additional Budget Sanction for Extension / Deviation

A complete deviation TCR (Tender Committee Resolution) on completion of the work approved by the authority competent to accord sanction may be treated as revised sanction.

During execution of work, in case any deviation due to change in scope of work as per requirement of Indenting Department or any major upward / downward variation in quantities is



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envisaged / felt necessary due to operational / administrative reasons which may result in requirement of additional budget, then such additional Budget Sanction shall be taken as per the deviation procedure defined in this Manual under Clause No. 43, in stages, whenever it is required. However, the execution of work shall not be held up for want of additional Budget sanction.

2.15 Bid Rejection Criteria/Bid Evaluation Criteria including bidders Qualifying Requirements:

The Bid Rejection Criteria/Bid Evaluation Criteria (BRC/BEC) including the bidder's Qualifying Requirements duly approved by the Competent Authority as per Delegation of Powers (DOP) along with the Purchase Requisition for the Works shall be forwarded to Contracts Department.

3.0 BID DOCUMENT:

3.1 Generally a Bid Document shall comprise of the following:

- i) Bid Document forwarding Letter and Instructions to the Bidders (ITB) and BRC/BEC including Bidder's Qualifying Requirements
- ii) General Conditions of Contract (GCC) applicable to all contracts of OIL.
- iii) Scope of Work including Tech Specifications, Drawings.
- iv) Special Conditions of Contract (SCC) including those pertaining to Safety Measures, Issue of Materials by the Company, if any, for the particular contract;
- v) Un-priced Schedule of Quantities for the items to be quoted in case of item rate contracts or Priced Schedule of Quantities for the items to be quoted + or - % age in case of + or - % age bid or Price Schedule in case of lump-sum price contracts.(SOQ)

3.1.1 The Instructions to the Bidders (ITB) shall detail all requirements as regards the bid content, submission, important conditions on which no deviation is permitted, price basis, price adjustment provisions, liquidated damages provisions, Employer issue materials for the work covered in detail in SCC and all such important instructions and conditions of bidding, Bid Security, bid evaluation and comparison etc. so that the bidder prepares their bid with reasonably complete information and instructions. The BRC/BEC including bidders' qualification shall also be mentioned in the ITB. A check list also may be appended to make sure that the bid is complete and compliant in all respects.

3.1.2 General Conditions of Contract (GCC) shall detail all the conditions of contract applicable to the work.

3.1.3 The Scope of Work and complete Technical Specifications including drawings if any as forwarded by the Indenting Department shall also be included.

3.1.4 Special Conditions of Contract (SCC) shall detail all conditions which are specific to the work including safety measures, detail provisions relating to accounting of company issue materials,



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wastages, penal recoveries etc. The terms of payment shall also be detailed in the Special Conditions of Contract.

3.1.5 Schedule of Quantities (SOQ) with all items of work priced or un-priced depending upon the type of bid proposed to be invited with such remarks and details in the schedule as may be required to categorically stipulate methods of measurement and payment. It is important that the table of SOQ specifically provides columns for full description of the item of work, the quantities thereof, the rate to be furnished in INR or other currency as per ITB, in figures and words, and the amount in figures and the total thereof shall be furnished by the bidder. The table undergoes change suitably in case of + or - % age SOQ. The Bid Documents for Lump sum price contracts shall have Price Schedules with columns for the price in figures as well as in words and extensions if any in figures.

3.2 The Contracts Department shall be nodal point for dealing with issue of Bid Documents and their sale on collection of the cost indicated in the Invitation to Bid.

4.0 **ISSUE OF INVITATION FOR BID (IFB);**

4.1 Generally, open bids shall be invited for award of contract for works. However, depending upon the value, complexity, urgency, availability of sources and other factors, limited bids or single bid may be invited with the approval of the competent authority with due justification in case of invitation of limited bids or single bid.

4.2 Invitation for Bid in case of Open Bidding shall be done as per the procedure laid down below:

a) **Advertisement on OIL Notice Board and in Local News Papers:** The IFB shall be put on the OIL notice board and attention drawn in one local vernacular language news paper published from the place where the award of work will be made, to the fact of the IFB being available in the OIL Notice Board for the following jobs;

- i) Works whose estimated cost is below Rs.5 Lakhs;
- ii) Hiring of light commercial vehicles (car, sumo, bolero, etc.) without any financial limit;
- iii) Civil works whose estimated cost is below Rs.25 Lakhs.

b) **Advertisement in News papers published from the State:** IFB may be inserted in two news papers – one in the regional language of the State in which the award of work will be made and the other in English circulating in the State for the following:

- i) All works whose estimated cost is between Rs.5 Lakhs and Rs.25 Lakhs.
- ii) Civil works whose estimated cost is above Rs.25 Lakhs and below Rs. 1 Crore.
- iii) All labour oriented works whose estimated cost is above Rs.5 Lakhs (upto any value).
- iv) Hiring different types of buses without any financial limit.

c) **Advertisement in two news papers as mentioned in sub para (b) and in two English dailies with wider circulation across India.**



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- i) All Civil Works whose estimated cost is Rs.1 Crore and above:
- ii) All other works whose estimated cost is Rs.25 Lakhs and above:

The procedure mentioned in para 4.2 is subject to change depending upon necessities to be recorded in writing and approved by competent authority from time to time.

- 4.3 Irrespective of value of work/ service, all IFB and Bid Document will be available in OIL's website.
- 4.4 In addition to above, all IFBs published through press advertisement under 4.2 (b) & (c) above shall also be available in Govt. portal (tender.govt.in).
- 4.5 Since the Bid Document is available on the Website which also includes the IFB as part of it, a brief IFB only need to be published in the News Papers in view of significant cost involved in publishing full IFB.

5.0 BIDDING SYSTEM

5.1 Single Part or Composite Bid System

- 5.1.1 For works/services value up to Rs.100 Lakhs, single part or composite bid system with BRC/BEC including bidder's qualification requirement may be followed. However, for specialized work/services of any value, two part bid system may also be followed.
- 5.1.2 In case of pre-qualified parties, the IFB may be circulated amongst all of them or the attention drawn through notice boards and websites of OIL and local news papers. The Bid Documents may be issued to those who apply for the same and on payment of the prescribed cost.
- 5.1.3 The procedure for submission of the bid is detailed in the para 13.0.

5.2 Two Part Bid System

- 5.2.1 Two part-bid system (Un-priced Technoical Bid and Price Bid separately) will be used generally for the works/services costing more than Rs. 100 Lakhs. However, invitation of bids under two part bid system can be followed even in respect of works/services costing less than Rs 100 Lakhs in case the works/services are of specialised nature.
- 5.2.2 In Two part Bid System, the bidders will be asked to submit Un-priced Techno Commercial Bid (Part-I) and Price Bid (Part-II) separately in sealed envelopes. The procedure for submission of the bid under two part system is detailed in the para 13.0.
- 5.3 Technical scrutiny Report shall be prepared by Indenting Department. In addition to the technical scrutiny report will be vetted by Evaluation Committee.
- 5.4 Approval of competent approving authority as per DOP will be sought for opening of Priced bids of short listed Bidders.
- 5.5 After the short-listing of Technically acceptable bidders, all such bidders will be notified (by fastest mode like fax and e-mail) of the date of opening of priced bids in public, allowing a period



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of not exceeding 5 working days, depending upon the urgency of requirement and location of bidders, so as to enable such bidders to participate in bid opening, if they so like.

5.6 Price bids, which remain unopened with OIL, may be returned to the concerned bidders on request only after receipt of Performance Security(ies) from the successful bidder(s) on award of work. A clause in this regard should be inserted in the Bid Documents.

5.7 Bid Rejection Criteria (BRC)/Bid Evaluation Criteria (BEC)

BRC in general should have rejection criteria including experience and financial evaluation methodology, duly deliberated and recommended and approved by competent authority as per DOP.

5.8.1 The general qualification requirements to be specified in BEC/BRC in addition to specific qualification requirements for a particular work may be as given below as per the prevailing guidelines of CVC:

a) Average Annual financial turnover as per Audited Annual Reports for the last three accounting years, should be at least 30% of the estimated value of the work.

b) Experience of having successfully completed similar works (parameters of similar works should be clearly spelt out) during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following:

i. Three similar completed works each costing not less than the amount equal to 40% of the estimated cost

or

ii. Two similar completed works each costing not less than the amount equal to 50% of the estimated cost

or

iii. One similar completed work costing not less than the amounts equal to 80% of the estimated cost.

N. B. Definition of "Similar Work" should be clearly defined.

5.8.2 In addition to above, the criteria regarding satisfactory performance of works, personnel, establishment, plant, equipment etc. may be incorporated according to the requirement of the subject work. These may be kept in view while prescribing the bidder's qualification requirements.

5.8.3 Wherever service of equipment or machinery is required, e.g. Hiring of rigs, performance requirements with regard to the equipment to be supplied / leased may be prescribed suitable for the requirements as part of BEC/BRC for assessment.

5.8.4 Wherever skilled and/or specialized personnel are required to be supplied, the length, nature and extent of experience may be provided for in the BEC/BRC for assessment of the capability and capacity of the bidder.



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5.8.5 In addition to the above, wherever required, the tools and plant to be used in the course of the contract and manpower requirements which indicate the bidder's capability and capacity to undertake the work and execute it successfully may be stipulated in the BEC/BRC.

5.8.6 Wherever required, in case of OEM authorised service works, a certificate of accreditation with validity period from the OEM shall be stipulated in addition to other requirements.

6.0 **TIME TO BE ALLOWED TO BIDDERS TO BID**

6.1 The minimum period to be allowed to the Bidders to submit bid shall be as under:

a. **Open Bids**

- A minimum period of 30 days for Domestic Competitive Bids (DCB) shall be allowed to quote unless the work is of emergent nature in which case the period allowed to quote may be stated specifically applicable to that bid.

- A minimum period of 45 days for International Competitive Bidding (ICB)

b. **Limited Bids**

- A minimum period of 15 days for Domestic Competitive Bids (DCB):

- A minimum period of 30 days for International Competitive Bids (ICB)

6.2 The above period is to be reckoned from the date of publication of IFB in the news papers/OIL Website whichever is earlier for open bids. In case of Limited Bids, the above period is to be reckoned from the date of issue of the Bid Documents to the short-listed parties.

6.3 Bid Documents should be ready for sale at Bid Document selling centers on the date IFB appears in news papers.

6.4 All open bid/limited bid notices displayed will also be put up in OIL Website.

7.0 **VALIDITY OF BIDS**

The Bid Document will specify bid validity as under:

- Maximum 180 days for all bids other than for seismic survey works.

- Maximum 120 days for seismic survey works.

The bids with less than the required validity will be straightway rejected as per the provisions in Bid Documents.

8.0 **COST OF BID DOCUMENTS;**

8.1 The cost of Bid Documents may be fixed as per the guidelines enclosed Annexure-I.

8.2 The Bid Documents will be issued after making necessary entries in the register for sale of



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documents against payment of prescribed cost. The cost of the Bid Document will be acceptable in the form of crossed "Payee Account only" Bank Draft / Banker's Cheque drawn in, favour of Oil India Limited and payable at a Bank at the place from where the Bid Document is issued or a Pay in slip in case of deposit in the OIL's account with the Bank.

- 8.3 Subject to provisions laid down in para 11.0 below, the Bank Drafts/Banker's Cheques will be deposited and accounted for at the station where they are received and credited in the accounts there itself.
- 8.4 Purchase of Bid Documents by Agents in India in respect of International Competitive Bidding (ICB)- The Agents in India, duly authorized by their foreign principals, will be allowed to purchase Bid Documents in Indian currency through Bank Draft drawn in favor of OIL.
- 8.5 The firms registered with NSIC/SME will be exempted from payment of cost of Bid Documents irrespective of the monetary limit mentioned in their registration certificate provided they furnish evidence that they are registered for the items they intend to quote against OIL IFBs. The Government Departments will also be exempted from the payment of cost of Bid Documents.
- 8.6 In the IFB it shall be clearly mentioned that the bids shall be submitted using the proof of Bid Documents as purchased from OIL and not otherwise.
- 8.7 The cost of Bid Documents received from the applicants is not refundable.

9.0 FIXATION OF DATES OF OPENING OF BIDS

- 9.1 The opening of bids may be done on specified days of the week. (Generally two days in a week). Every section, while issuing IFB, will ensure that only the following days of the month are given as Due Dates i.e. Thursday for civil works bids. Tuesday for all bids except Civil works bids. If any bid opening date happens to be a Holiday then the bid closing/opening date will be shifted to next full working day at the same time. In all cases, the date of opening of the bids should be specified in the IFB as per the above guideline.
- 9.2 The closing time for receipt of bids shall at least be 15 minutes before the opening time. The opening time may be fixed as 1300 hrs on the day of opening the bids.
- 9.3 In case of bids submitted at Kolkata or any office other than Duliajan, the bid closing date shall be fixed two days prior to bid opening date.

10.0 INVITATION FOR BID (IFB)

The salient features of the IFB shall include the description of the work/services for which bids are invited. The IFB shall also specify the following:

- 10.1 The IFB shall clearly indicate the particulars such as the dates of sale of Bid Documents, the place where the sale is done, the cost of the document to be paid, the last date and time, and the place where the bid is to be submitted, the, date and the time at which these will be opened. The Bid Security amount required to be paid and mode of such payment shall also be specified.
- 10.2 The Qualifying Requirements, BEC/BRC which is very essential must be specified clearly in the



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IFB and be published in the OIL website for necessary information of the prospective bidders.

- 10.3 The time and venue of the Pre-bid Conference (if any envisaged) also must be clearly specified in the IFB/ITB.
- 10.4 IFB should specify that bids by post must be sent under registered post so as to reach the place well before the closing time and date.
- 10.5 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 Bid Receiving/Opening Officers.
- 10.6 Invitation for Bid may be transmitted by fax and e-mail also, wherever required and hardcopy be kept in records.
- 10.7 Brief IFB for insertion in the news papers: The IFB shall have the following information-
 - a. IFB No. and date
 - b. Brief description of the requirement
 - c. Bid Document sale closing date
 - d. Bid closing date
 - e. website where the IFB with Bid Document is hoisted.

11.0 SALE OF BID DOCUMENTS AND THE REGISTER

- 11.1 Contracts Department shall maintain a Register for entering the names of the parties who have bought the Bid Documents, their addresses, the cost paid by them and mode of payment and remarks. In case of Limited Bids and Single Bid, a list of parties to whom the Bid Document is sent through registered post/ in person, shall be entered in the Register.
- 11.2 In case of open bidding, the sale of Bid Documents may take place as per the time line indicated in the IFB. The applicant shall use the hard copy of Bid Document (purchased by them) for bid submission and not the copy downloaded from website.
- 11.3 In case of Invitation of bids from the enlisted or prequalified parties, the Bid Document may be issued free of cost. Also in case of Invitation of Limited bids or Single bid, the Bid Document may be issued free of cost.
- 11.4 No Bid Document shall be sold to the parties who have been banned, black listed or suspended as per approval/decision of the competent authority as per DOP.
- 11.5 The last date for sale of documents may be fixed one day prior to bid opening date.

12.0 PRE-BID CONFERENCE

- 12.1 Subject to para-12.2 below, Pre-bid conference should be held only where required with the approval of competent authority as a practice for all cases of Works/Services / Turnkey project under 2 part bid system.
- 12.2 The Indenting Department shall initiate proposal to hold Pre-bid Conference in a particular



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bidding duly recording the reasons for such an action and convey approval of the LMC to Head-Contracts. While deciding whether or not to hold Pre-bid Conference in a particular case, the following factors on merit, inter-alia, are to be kept in view:

- i. Complexity of that case,
- ii. Experience in respect of bidders' taking exceptions/ deviations in previous biddings for such contracts / services.

12.3 All parties who buy Bid Documents are invited to attend the Pre-bid Conference. The date and venue of Pre-bid Conference should be clearly indicated in the IFB and the Bid Document. In the IFB and Bid Document as well as during the Pre-bid Conference, bidders should be advised that OIL expects the bidders to comply with the specifications / conditions of the Bid Document which have been frozen after Pre-bid Conference, and the non-compliant bids will be rejected.

12.4 The officer from the Indenting Department (who has framed/signed the specifications) is to chair Pre-bid Conference(s) along with the representative from Contracts Department and Finance. It should be impressed upon the bidders to depute representatives who are competent enough to take on the spot decision. The minutes of the Pre-bid Conference will be prepared by the Contracts Department and Indenting Department jointly and put up for approval of the officer who chaired the Pre-bid Conference. Thereafter, in case, no modifications are required in the BRC/BEC, specifications, bid conditions, the bidder would be asked to submit their bids on due date and time and sufficient time would be given to the bidders to submit their bids. However, if, as a sequel to the Pre-bid Conference, modifications are required in the BRC/BEC/specifications/bid conditions (excluding commercial conditions standardized by CBC and excluding the major qualifying criteria), prior approval of the LMC/CBC(as the case may be) would have to be obtained by the Head-Contracts by providing detailed justification for agreeing to such modification(s). After obtaining approval of LMC/CBC, these modifications should be made and communicated (through fastest mode of communication like fax) prior to submission of bids with sufficient time to all the bidders to submit their bids; no change will be allowed thereafter. In other words, Pre-bid Conference(s) will be used to freeze various specifications, terms and conditions of the Bid Document before opening of bids.

12.4.1 In case of bids for procurement of services and turnkey project, the issues raised by the prospective bidders during the Pre-bid Conference will be examined in detail by the Competent Authority. If due to the points/doubts raised by the prospective bidders, bid specifications or any specific term(s), condition(s) which is not a part of "Standard Terms and Conditions of the Bid Document" 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 all the members of competent committee. In this Pre-bid Conference, the members of competent committee would again try to clarify the doubts raised by the prospective bidders, with a view to ensure adequate participation.

12.4.2 However, for CBC level cases, as an exception, a second Pre-bid Conference can also be held, if any point/issue remains unresolved during the first Pre-bid Conference.



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13.0 METHODOLOGY FOR SUBMISSION OF BIDS

13.1 The bids are to be submitted in duplicate/quadruplicate i.e., one in original plus one copy/three copies thereof as prescribed in the Bid Document.

13.2 The complete bid should be submitted as under-

(A) FOR IFB OF ESTIMATED CONTRACT VALUE UPTO RS. 20.00 CRORES

(i) Single (Composite) Bid System

Both Techno-Commercial part and Price part should be put in one envelope.

(ii) Two Bid System

Un-priced Techno-Commercial Bid and Price bids should be put in two separate envelopes with markings on them as A and B respectively as under :

Envelope-A: This envelope shall contain the Un-priced Techno-Commercial Bid (including bid security & compliance certificate, if any) and shall be super-scribed as Techno-Commercial Bid. In this envelope the bid containing all parts except the price bid shall be put in.

Envelope-B: This envelope shall contain the Price bid and shall be super-scribed as Price Bid.

Both the Envelopes i.e., Envelope-A & Envelope-B shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder's Name etc shall be super-scribed on it.

(B) FOR IFB OF ESTIMATED CONTRACT VALUE ABOVE RS. 20.00 CRORES

The outer envelope shall contain separate envelopes as under-

(i) Single(Composite) Bid System (Though all IFBs shall be under two bid system, in case, an IFB is under single bid system then the procedure will be as under)

Envelope-A: This envelope shall contain Bid Security and shall be super-scribed as "Bid Security"

Envelope-B: This envelope shall contain Certificate of Compliance in the prescribed form and super-scribed as "Certificate of Compliance"; and

Envelope-C: This envelope shall contain both Techno-Commercial part and Price part together and super-scribed as "Technical & Price Bid".

All these Envelopes i.e., Envelope-A, Envelope-B & Envelope-C shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder's Name etc shall



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be super-scribed on it.

(ii) **Two Bid System:**

Envelope-A: This envelope shall contain Bid Security and shall be super-scribed as “Bid Security”

Envelope-B: This envelope shall contain Certificate of Compliance in the prescribed form and super-scribed as “Certificate of Compliance”

Envelope-C: This envelope shall contain the Un-priced Techno-Commercial Bid and shall be super-scribed as “Techno-Commercial Bid”. In this envelope the bid containing all parts except the price bid shall be put in.

Envelope-D: This envelope shall contain the Price bid and shall be super-scribed as “Price Bid”.

All these Envelopes i.e., Envelope-A, Envelope-B, Envelope-C & Envelope-D shall be put in one envelope and all markings like IFB No., Bid Closing Date, Bidder’s Name etc shall be super-scribed on it.

NOTE:

Envelope for Un-priced Techno-Commercial Bid shall contain the requisite documents from the bidders in compliance to the approved BRC/BEC and terms and conditions of the Bid Document, specifications etc. All documents required as part of Technical Bid shall be submitted in this envelope. Also a copy of Part II Priced Bid with price figures only blanked out is to be enclosed in this envelope.

Envelope for Price Bid shall contain price bid. The bidders shall be required to quote their rates & currencies (in case of ICB) and any other commercial information as specified, within the space(s) provided for the purpose. This shall not be opened until the technical bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.

13.3 The envelope(s) shall be opened as under:

(A) **FOR IFB OF ESTIMATED CONTRACT VALUE UPTO RS. 20.00 CRORES**

(i) **Single (Composite) Bid System**

The envelope containing both Techno-Commercial part and Price part should be opened on the Bid Opening Time and Date by Bid Opening Officers.

(ii) **Two Bid System**

Envelope-A containing the Un-priced Techno-Commercial Bid should be opened on the Technical Bid Opening Time and Date by Bid Opening Officers.

Envelope-B containing the Price bid shall not be opened until the Techno-Commercial



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Bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.

(B) FOR IFB OF ESTIMATED CONTRACT VALUE ABOVE RS. 20.00 CRORES

(i) Single (Composite) Bid System

Envelope-A containing the Bid Security shall be opened first to make sure that a proper Bid Security is furnished. If proper Bid Security is not furnished the remaining envelopes need not be opened and they may be returned.

Envelope-B containing certificate of compliance shall be opened only after proper Bid Security is seen furnished.

Envelope-C The envelope containing both Techno-Commercial part and Price part should be opened on the Bid Opening Time and Date by Bid Opening Officers only after proper Bid Security and Certificate of Compliance are seen furnished.

(ii) Two Bid System:

Envelope-A containing the Bid Security shall be opened first to make sure that a proper Bid Security is furnished. If proper Bid Security is not furnished the remaining envelopes need not be opened and they may be returned.

Envelope-B containing certificate of compliance shall be opened only after proper Bid Security is seen furnished.

Envelope-C containing the Un-priced Techno-Commercial Bid should be opened on the Technical Bid Opening Time and Date by Bid Opening Officers only after proper Bid Security and Certificate of Compliance are seen furnished.

Envelope-D containing the Price bid shall not be opened until the Techno-Commercial Bid is examined as per bid evaluation criteria and after approval of the competent authority as per DOP to open it.

14.0 BID SECURITY / EXEMPTION FROM BID SECURITY / CERTIFICATE OF COMPLIANCE

14.1 Bid Security

14.1.1 Bid Security to accompany the bid shall be specified in the Bid Document and also in the IFB. The amount of Bid Security will be worked out on the basis of total estimated cost for complete work.

14.1.2 The amount of Bid Security will be worked out at the rates specified in the table (Annexure-II) @0.5%/1% of the estimated cost for indicating the same in Bid Document for furnishing by the bidders.

14.1.3 Exemption of Bid Security



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Bid Security will not be necessary for bids from Central Govt. /OEMs / Authorized Distributors of OEMs and firms registered with NSIC/Directorate of Industries. However, the firms registered with NSIC/Directorate of Industries have to submit evidence that they have a current and valid registration for the item(s) they intend to bid including the prescribed monetary limit.

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

- i. Valid Bank Draft in favor of OIL:
- ii. Bank Guarantee from banks acceptable to OIL as mentioned in the IFB, valid for 30 days beyond the required bid validity period.
- iii. Irrevocable letter of credit (as per prescribed pro-forma) valid for 30 days beyond the required bid validity period, duly confirmed by Indian Nationalized/Scheduled banks will be acceptable only in case of foreign bidders.
- iv. Cash deposit in OIL's selected banks and submit the pay-in-slip issued by the banker.

14.1.5 **The IFB and ITB shall clearly state that the Bid Security shall be furnished in a separate envelope by the bidders for IFB of estimated contract value above Rs. 20.00 Crores. The envelope containing Bid Security will be opened first to see whether the requisite Bid Security as per Bid Document has been furnished by the bidder or not. In case the Bid Security is not furnished or the furnished Bid Security is not conforming to the requirements of Bid Document then the Bid submitted by the bidder shall not be opened and returned to the bidder unopened. In case of two bid system also, it shall be ensured that Bid Security is given in a separate envelope.**

14.1.6 Subject to provision in Para 14.1.5 above, offers without Bid Security will not be considered and summarily rejected. The condition of furnishing Bid Security will not be relaxed / waived.

14.2 Certificate of Compliance

14.2.1 The bidder shall have to furnish in a separate envelope along with the bid for IFB of estimated contract value above Rs. 20.00 Crores, as per para 13.2 above, a Certificate that their Bid is compliant with all the Conditions given in Bid Rejection Criteria of the Bid Document on which no deviation is permitted. The Bid Opening Committee as mentioned in para 17.0 below will examine the Certificate of Compliance and proceed with opening of the bid if the same is in order along with other requirements. In case of non-conformity, the bid shall be returned to the bidder unopened.

14.2.2 The bidder shall give in the main bid a list of deviations with full particulars in the Form of Deviations as may be prescribed.

15.0 RECEIPT OF BIDS

15.1 The Bids may be required to be submitted by the bidders by placing them in the Tender Box kept at the designated office of OIL, or handing them over to the Officer in charge of receiving the bids in case the bid is voluminous on the date before the time or sent by Registered Post so as to reach before the date and time for opening of the Bids.:



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- 15.2 Tender Box will always be kept locked by two locks. Key of one lock will be under the custody of Head-Contracts and key of other lock will be with the designated officer of F&A Department.
- 15.3 Receipt by ordinary/Regd. Post/personally handed over to receiving Section:
The Receipt and Dispatch Section will maintain separate register for the bids received by them through post /handed over to them personally by bidders due to their voluminous size. All Bids received by Receiving Section will be recorded in this register. The Receiving Section will put date and time of the receipt on each envelope of the bid and hand over the same on day to day basis for dropping in the Tender Box. In no circumstances the envelope containing the Bids will be opened or destroyed by Receiving Section.
- 15.4 All late bids on receipt will be handed over to the Section concerned, on day to day basis for necessary action.
- 15.5 Some high value or strategic bids may be required to be received in OIL's Duliajan as well as Kolkata or other offices. In that case, bid opening date will be two days later than bid closing date to bring bids from Kolkata/other office to Duliajan office.

16.0 E-MAIL / FAX / TELEX / TELEGRAPHIC/TELEPHONIC BIDS

E-mail / fax / telex / telegraphic/telephonic bids will not be accepted. However, in case of bids for obtaining service from OEM/ Proprietary cases on single bidding or where only bidder is approached for a bid, E-mail// Fax /Telex/ Telegraphic offers may be received for consideration provided the original bid has been already sent by him to OIL but not received by OIL

17.0 NOMINATION OF BID RECEIVING / OPENING OFFICER(S)

An Officer of Contracts Department of L-1 level will be nominated for receipt of bids. In addition one officer of L-1 level from Finance and Accounts Department will also be nominated for opening of bids. In exceptional cases where bid is technically very specialized in nature, representative officer of L-1 level from Indenting Department shall also be present.

18.0 OPENING OF BIDS IN PUBLIC

- 18.1 unless good and sufficient reasons exist (which must be recorded on the file) all bids, must as a rule be opened in the presence of bidders / authorized representatives of bidders.
- 18.2 The officers opening the bids should verify that only bidders /authorized representatives of bidders who have actually submitted the bids are present. Unauthorized representatives (or representatives of firms who have not submitted the bid) will not be allowed to be present.

19.0 OPENING OF BIDS:

19.1 **Numbering of the Bids**

- 19.1.1 All the bids received shall be given a serial number for identification purposes. e.g., if 7 bids have been received against one particular IFB, then bids should be numbered as 1/7, 2/7 and so on and initialed by both the officers authorized to open the bids. All envelopes are also to be preserved for the record. The serial number assigned by the bid opening officers shall also put on the face of the relevant bid also.



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19.1.2 The concerned officer will be present at the time of opening of the bids. Both the Bid Opening Officers will sign the register against the name of the firms whose bids have been received.

19.1.3 Where the IFB requires Bid Security to be furnished, the Bid opening officers shall then locate the envelope containing the Bid Security and open it to verify whether the Bid Security is furnished by the bidder and the same is in order. The bid not accompanied by proper Bid Security shall be returned unopened to the party concerned.

19.1.4 Where ITB requires a certificate to be furnished by the bidder that they have not taken any deviation on certain important conditions including BEC/BRC and the same was required to be furnished in a separate envelope as per Para 13.0, the bid opening officers shall locate the same before opening the bid. If the certificate is not furnished or the certificate furnished is not as per the format or incomplete or otherwise not in order, the bid shall not be opened and returned to the bidder.

19.1.5 The Bid Opening Officers will encircle the rates, discounts/rebates if any 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 initialed by both the officers opening the bid.

19.2 Reading out the Rates

In the public opening, only the total prices or group-wise prices, if sought as per Bid Document should be read out in addition to major terms & conditions. Discounts/rebates if any offered should be readout. Offer should not, repeat not, and be circulated amongst the bidders' representative.

20.0 CANCELLATION OF BIDDING

20.1 A bid shall be deemed to have been cancelled when a PR is withdrawn with the approval of competent authority as per DOP

20.2 Cancellation of bidding for any reason other than Para 20.1, to be recorded in writing, shall require the approval of the competent authority (DOP).

20.3 The parties who have bought the Bid Documents and the parties to whom the Bid Documents have been issued free of cost may however be informed of the cancellation of the bidding. Notification in website may also be displayed.

21.0 RE-INVITATION OF BIDDING

In the event of re-invitation of bids whether on a limited or open bidding basis the approval of the competent authority will be obtained in advance as per DOP.

21.1 Reasons for re-invitation of bids in all such cases will be recorded.

21.2 Such re-invitation of bids, in case of limited bidding, will be from the parties including those from whom original bids were invited unless there are reasons for non-invitation of bids from the parties who participated in the original bidding.



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21.3 In case of open bidding, intimation regarding re-invitation of Bid Documents will also be sent to all the bidders who purchased Bid Document against the original bidding. Bid Document/ modified Bid Document if any shall be sent to all such parties free of cost.

22.0 EXTENSION OF BID OPENING DATE

22.1 Extension of date of opening of bids should be avoided as far as possible. However, where it is inescapable (valid and justified reasons for such extension should be recorded in writing), Head - Contracts may take a decision to extend the time for issue of Bid Document and opening of the bids up to such period as he may find reasonable. In case of receipt of only one bid in limited or open bidding, the date of issue of Bid Document and also opening of bids shall be extended by two weeks.

22.2 No Bid Document will be sold during the extension period arising out of changes in sequel to pre-bid conference.

23.0 PRELIMINARY EXAMINATION AND COMPARISON OF BIDS

23.1.1 After all the Bids have been opened a preliminary examination of the Bids will be done jointly by the Bid Opening officers viz., representatives of Contracts, Indenting Department if present and Finance Department. The preliminary examination of the Bids will include verification of the rates and prices quoted, the deviations sought if any by the bidders, etc. The particulars of the bids will be recorded in a Bid opening register. The technical bids in case of two part bidding and bid copy in case of single part or composite bidding shall be forwarded to Indenting Department for technical evaluation. The Contracts Department will carry out the commercial evaluation. Both the technical and commercial evaluations reports shall be vetted by Finance. On the basis of technical and commercial evaluation reports, the final evaluation report will be prepared by the bid evaluation committee.

23.2 SEEKING COMPLIANCE FROM BIDDERS AFTER BID OPENING

No clarification/documents should be sought from the bidders, under any circumstances, once the bids are opened. However, with a view to widen competition, seeking confirmations from the bidders is allowed, on the issues where the bidder confirms compliance in the evaluation 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. The guiding principle in all the above situations is that the basic structure of the bid already submitted by the bidder should not be allowed to change after opening of bids and no clarification shall be sought from the bidder which has bearing on the price quoted.

23.3 CORRESPONDENCE WITH BIDDERS BY INDENTERS

All correspondence with the bidders must be done by Head-Contracts only. However, after award of contract, Indenter Department has to interact with the contractor for execution of contract, provided the same does not result into modification of any condition of contract and does not involve financial implications.



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24.0 CONSIDERATION OF OFFERS

24.1 Bids which do not conform to the BRC/BEC are to be ignored straightaway. Lowest bid may be determined from among those bids which are in full conformity with the Bid Documents.

24.2 The following points should be taken into consideration for awarding of contract.

- i. The contracts are to be awarded on the lowest acceptable Bidder.
- ii. If the lowest Bidder does not comply with the stipulation of the Bid Document, their bid should be rejected.

25.0 DISCOUNTS / REBATES.

25.1 Unconditional Discounts/ Rebates if any given in the bid or along with bid will be considered for evaluation.

25.2 Post bid or conditional discounts / rebates offered by any bidder shall not be considered for evaluation of bids. However, if the lowest bidder happens to be the final acceptable bidder for award of contract and if they have offered any discount/rebate, the contract shall be awarded after taking into consideration such discount / rebate. These provisions shall be incorporated suitably in the Bid Document.

26.0 NEGOTIATIONS:

26.1 If 3 or more acceptable bids have been received in bidding and the price offered by the L1 bidder is reasonable, the bid evaluation committee may recommend award of contract to L1 bidder, without resorting to price negotiations. It would be advisable if the Indenting department indicates the range (+/-) over the cost estimate where negotiations are to be conducted.

26.2. Normally, there shall not be any negotiations. Negotiations if at all shall be an exception and only in the case of proprietary items or in the case of items with limited source of supply or in case of suspected formation of cartel by bidders. Negotiations shall be held with L-1 bidder only. Counter offers tantamount to negotiations and should be treated at par with negotiation.

26.3 Negotiations can be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. In case of inability to obtain the desired results by way of reduction in rates and negotiations prove infructuous; satisfactory explanations are required to be recorded by the committee who recommended the negotiations.

26.4 If the negotiated offer of L-1 bidder is still not within the normal limits of acceptance, the offer may be examined on the merit of the case and put up the recommendations for the approval of LMC.

26.5 Negotiations with L-1 bidder, if required, will be carried out in accordance with DOP provisions.

26.6 When the rate(s) of L1 bidder is lower than the estimated cost, the offer is examined with respect to the workability of rates as compared with the estimated cost as per scope of work and recommendations shall be submitted depending upon the merit of the case for the approval of LMC.



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27.0 EVALUATION OF BIDS BY THE BID EVALUATION COMMITTEE AND PREPARATION OF TENDER COMMITTEE RESOLUTION (TCR)

27.1 The bid evaluation committee shall complete the evaluation of the bids as per evaluation criteria, technical and commercial evaluation reports, BEC/BRC including bidder's qualification requirements and cost compensating the deviations taken by the bidders with proper data support and present the final evaluation report recommending the fully responsive lowest evaluated bid for selection for award. The Contracts Department shall coordinate the entire process of evaluation of the bids. The evaluation report of the bid evaluation committee shall be placed before the competent authority for approval within 10(ten) days of from the bid opening date.

27.2 Content of Award Proposal

The Award Proposal will generally contain the following details: -

- TCR No. and date
 - PR No and date
 - In case of PR date and TCR date is more than
 - (a) 60 days in case of contract value more than Rs.5.0 Lakh to Rs. 50.0 Lakh
 - (b) 90 days in case of contract value more than Rs.50.0 Lakh to Rs. 100.0 Lakh
 - (c) 180 days for contracts of value Rs. 1.00Crore and above,
- the reason of delay in brief to be incorporated.
- Name of the Indenting Department
 - IFB No.
 - Brief description of work
 - Internally Estimated cost of the services
 - Estimate approved by
 - Job no./ WBS element/ Budget reference
 - Category of bidding i.e., limited or open
 - No of parties who applied for IFB
 - No. of parties to whom IFB were issued
 - No. of bids received
 - List of parties who have not quoted/responded and the reason thereof.
 - List of parties rejected and their names with reasons in Annexure.
 - Tabulation of bids / comparative statement in Annexure.
 - Lowest bidder
 - Value of lowest bid
 - Percentage above/ below of Internal estimate/ last contract rate (if applicable)
 - Other important and special term and conditions/payment terms
 - Any other information regarding the bids.
 - Whether Competent Authority recommends award of work to the lowest bidder.
 - Whether Competent Authority is seeking permission for negotiating with the lowest bidder. If yes, reasons thereof.
 - Delegation of Power Sl. No.
 - Bid Evaluation Committee
 - Approving authority



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28.0 PROPOSALS TO CORPORATE BUSSINESS COMMITTEE (CBC)

- 28.1 Issue relating to any major modification or clarification in OIL Policy related to works/services, may be referred to the CBC with recommendation for CBC's decision. However, before reference to CBC is made, endorsement of LMC will be obtained.
- 28.2 In all cases exceeding delegated powers of SBU committee (LMC), approval of CBC will be obtained, after endorsement by LMC.
- 28.3 For CBC meeting, self explanatory Note, duly signed by General Manager (Services) for Fields cases along with relevant documents including LMC approval will be sent to CBC through Senior Adviser (C & P) at NOIDA office for examination.

The Note should be sent well in advance before the expiry of validity keeping in view that sufficient time is available to Senior Adviser (C & P) for examination of case. Senior Adviser (C & P) and Head-F&A will examine the proposal(s) and seek clarification(s) from the LMC wherever considered necessary. A copy of Note will be circulated by Senior Adviser (C & P) to all members of CBC as well as to CMD in advance for perusal.

- 28.4 For other spheres/projects, the concerned Head of sphere/project will sign the CBC Note in place of GM (Services)

28.5 DECISION OF CORPORATE BUSSINESS COMMITTEE (CBC)

- 28.6 Senior Adviser (C & P) will circulate amongst CBC members a copy of Note and after discussions of the case in the meeting, decision taken shall be intimated to the concern spheres.

29.0 COMMUNICATION OF AWARD OF CONTRACT:

On acceptance of the recommendations for award of contract by the competent authority as per DOP, a Letter Of Award (LOA) shall be communicated to the successful bidder within the bid validity.

30.0 PERFORMANCE SECURITY

- 30.1 Within two weeks of issue of LOI/LOA, the successful bidder shall furnish Performance Security in the form of a Bank Guarantee or Bank Draft or by way of deduction from the running account bills as per the monetary limits @2.5%/7.5% of contract value as per the table shown in Annexure-II.
- 30.2 The Performance Security by way of Performance Bank Guarantee will be required to be submitted even by the Public Sector Undertakings and / or firms registered with OIL /DGS&D /NSIC/Proprietary firm/OEM or OEM authorized agent. However, under special circumstances, the furnishing of Performance Security may be exempted in case the contract is awarded to Government / Public Sector Undertakings, DGS&D/ NSIC Unit/Proprietary firm/OEM or OEM authorized agent with the approval of Competent Authority.
- 30.3 The Performance Security wherever is required to be furnished will be from a bank which is approved for this purpose as mentioned in Bid Document.



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30.4 The Performance Security shall be valid for such period as may be specified in the Bid Document which will also cover the warranty period.

31.0 **BACKING OUT BY BIDDER**

In case any bidder withdraws their bid within the bid validity period, Bid Security will be forfeited and the party will be debarred for a period of 2(two) years.

32.0 **BACKING OUT BY L-1 BIDDER AFTER ISSUE OF LOA**

In case LOA issued is not accepted by the L1 bidder or the Performance Security is not submitted as per the terms of the contract within the time specified in the Bid Document, the Bid Security shall then be forfeited and the firm shall be debarred for 2(two) years from the date of default. In such an eventuality, LMC may decide with the recommendation of bid evaluation committee for re-bidding in a fair and transparent manner in the interest of work.

33.0 **FURNISHING FRAUDULENT INFORMATION/DOCUMENT:**

If it is found that a Bidder/Contractor has furnished fraudulent document/information, the Bid Security/Performance Security shall be forfeited and the party debarred for period of 3(three) years from date of detection of such fraudulent act, besides the legal action.

34.0 **SIGNING OF CONTRACT**

34.1 The selected contractor will have to furnish the Performance Security in the form of Bank Guarantee or D/D, or deposit of cash into specified bank as desired by OIL, or cashier's cheque as required by the company, before signing the contract.

The detailed contract shall be signed within two weeks of notification of award of Contract (LOA/LOI).

Copies of the agreement will be distributed as follows:-

- Contractor (Original)
- Finance
- Vigilance
- Bill file of the contract section
- Contract file (Original)
- Indenting Department

34.2 In case, the contractor fails to commence the contract satisfactorily in terms of the provision of the contract; action shall be taken against the contractor as per provision of Bid Document /Contract.

34.3 Invoking of Bank Guarantee

Prior approval of competent authority, specified in DOP, will be obtained for invoking Bank Guarantee(s) of all types



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35.0 COMMENCEMENT OF WORK AND ISSUE OF WORK ORDER

After signing the Contract, the contractor will have to obtain the labour license and the certificates relating to compliance with the statutory requirements as may be required for the specific contract. On fulfilling the statutory requirements, the concerned Contractor will collect the Work Order from the Indenting Department and will commence the work as per the terms mentioned in the Work Order.

The Work Order will generally contain the following information: -

- Work Order number
- Contract number
- Name of the Contractor
- Date of commencement of work, date of completion of work
- Contract price
- Date after which LD will be levied
- Special instructions
- Percent of work completed

36.0 RETENTION MONEY:

36.1 In cases where Performance Security is provided to the extent of 2.5% of the contract value, a retention money equivalent to 7.5% of each running account bill is deducted till final completion of the work. This deducted amount and the initial performance security shall be retained with OIL till such time as may be specified in the contract document.

37.0 RELAXATION IN STANDARD TERMS & CONDITIONS OF CONTRACTS FOR WORKS FROM OEM.

In case of OEM Services / proprietary Services, the competent authority as per DOP will be empowered to relax standard terms and conditions of work orders / contracts provided the OEM / manufacturer of proprietary items/ Services does not accept such terms and conditions.

38.0 POST- AWARD ISSUES

38.1 Post award issues (Post LOA issues wherever unconditional LOA is placed in line with the agreed IFB / bid conditions) will require to be deliberated by the competent authority as per DOP and submitted for approval.

38.2 The post award issues (relating to terms and conditions only and not the contract price) will be governed by the individual contract / contract value and not on the basis of original bid value. Thus, in other words the competent authority as per DOP in whose powers the individual actual contract value falls would be empowered to decide on the post contract issues. (This will apply to CBC cases as well). However, it shall be ensured that the decision of the authority with whose approval the original contract was awarded is not undone, especially the contract price and other financial implications/instructions. In other words, the post award issues involving financial implications and price require the approval of competent authority who approved original award.



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39.0 TERMINATION OF WORK ORDERS / CONTRACTS

39.1 Termination of Work Order / Contract

Competent authority as per delegated powers will have full powers to cancel the work order / contract in the event(s) indicated in sub-para (i) to (iv) below. Provisions of Paras-41.0 and 42.0 below, on Liquidated Damages / Failure & Termination and acceptance of contracts in deviation to specified specifications respectively will be kept in view while exercising powers in respect of sub-para (i) and (ii) below:

- i. Specified completion schedule is not adhered to by the contractor.
- ii. Laid down specifications are not adhered to by the contractor or when the performance of the contractor is un-satisfactory.
- iii. Major contractual terms and conditions are violated by the contractor
- iv. Insolvency by the contractor.

OIL may reserve the right to terminate the contract for reasons such as the work no longer required. In this case, a proper notice of intention of closure of the contract is to be issued to the contractor. Suitable provision in the Bid Document itself shall be included to the effect that OIL reserves the right to terminate the contract at any time if the contract work/service is no longer required by OIL. If any dispute arises on this account the same shall be settled as per the provisions of the contract.

40.0 EXTENSION IN TIME & LEVY / WAIVER OF LD

40.1 Extension in mobilization/Completion Period

While granting extension of time, the following points should be taken into consideration:

- i. Indenter has given specific request for time extension giving reasons thereof.
- ii. If the contract has been entered into at higher prices because of the assurance of earlier completion, but the contractor has failed to complete the work within the agreed schedule, in such cases waiver of LD will not arise.
- iii. Whether contract / services can be arranged easily at cheaper rates from an alternative source and in this case whether the Indenting Department can reasonably wait to take advantage of this or of any downward trend in prices generally.
- iv. All extensions are to be granted subject to the right of OIL to claim a reduction in prices on account of reduction in statutory duties/taxes etc. which may take place during the extended period of delivery. However, increase in prices during extended delivery period on account of increase in statutory duties/taxes etc. due to change in law will be to contractors account except; only if extension is due to quantifiable delay on the part of OIL.

40.2 When it is decided to extend the completion period subject to the recovery of liquidated damages



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for delay in contract, the contractor must be warned in writing. Merely stating that extension is granted without prejudice to the rights of OIL under the terms and conditions of contract, is not enough. Normally, extension in completion period will be communicated to the firms.

40.3 Following procedure shall be followed for grant of extension of Mobilization / Completion date. In case of delay in execution of the contract or delay in completion OIL will reserve the right to cancel the contract. However, the contract may not be cancelled in the following circumstances.

- i. In cases where the work is not likely to be completed within the contracted schedule and cancellation/termination of contract is not contemplated, the time of completion should be suitably extended, before the expiry date of mobilization/completion, in order that the contract shall continue to be in force and the contractor remains liable to execute the contract.
- ii. Any proposal for extension of time for completion for the reasons solely attributable to the contractor will be decided by Competent Authority as per DOP, on recommendation by the Indenter. This extension will be with levy of LD as per the terms of contract, provided the Indenter confirms continued existence of the requirement. Competent Authority will approve for the same as per DOP.
- iii. Any extension, where quantifiable delay either in part or full attributable to OIL, will be granted by the Competent Authority, on recommendation by the indenter reserving right of OIL to levy LD, provided the indenter confirms continued existence of the requirement. Approval of Competent Authority is required for such decision as per DOP. Such extension will be communicated to the contractor. For cases falling under the power of CBC, extension can be granted with prior approval of CBC. The amount of LD shall be withheld on the proportionate basis, by finance, from the bills of contractor, while releasing payments.
- iv. Notwithstanding anything stated in the foregoing paras, as a rule, all extension to be granted beyond the originally scheduled date of mobilization/completion date will require approval of competent authority as per DOP.
- v. The cases involving extension of time for completion of the work for reasons attributable to the contractor shall be considered with levy of LD at the rate as per contract terms and without condoning any delay attributed to the contractor.
- vi. In compelling circumstances beyond the control of contractor or where the past record of contractor is excellent in terms of meeting their commitments, a holistic view may be taken for considering waiver of Liquidated Damages. Any proposal, with full justifications with quantifiable delay, for waiver of LD rate, and/or condone the delays attributed to contractor shall require the approval of Competent Authority (as per DOP).
- vii. **For Civil Works**

For civil works, extension of time for completion of the work can be granted by Head -Civil himself, duly ensuring that:

- a) No claim shall lie against the company for any increase in rates of minimum wage



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that may come into force during the extended period.

- b) No claim shall lie against the company for any increase in the cost of materials.
- c) The extension is granted without any prejudice to the LD clause of the contract.

However in case of waiver of liquidated damage/ penalty for all cases, approval will be required as per DOP, on the recommendation of the Indenting department.

viii. Construction / Turnkey Project

In case where company (OIL) 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, OIL may issue part completion certificate by taking over such facilities without imposing LD. Where such facilities cannot be commissioned and cannot function independently, LD in that event will be levied on full value of the project.

40.4 Review of earlier decision

In case any Approving committee finds it necessary to revise its own earlier decision of imposing liquidated damages and to waive recovery thereof, it should obtain the approval of the next higher Authority for doing so.

41.0 LIQUIDATED DAMAGES FOR DELAY IN MOBILISATION AND/ OR COMPLETION OF WORKS AND SERVICES

- 41.1 In normal case of works /service contracts, liquidated damages will be applicable @ 0.5% of the contract value per week or part thereof, for delay in contract mobilization /completion date subject to a maximum ceiling of 7.5% of contract value as per Annexure-II.
- 41.2 In special cases depending on the criticality of services, the LD rate may vary from 0.5% to 1.0% per week with a maximum ceiling of 7.5% to 10%. For incorporating such special LD rate approval of competent authority is to be obtained at the time of BRC/BEC approval is taken.

42.0 LIQUIDATED DAMAGES / FAILURE AND TERMINATION

- 42.1 Time and date of completion shall be essence of the contract. If the contractor fails to complete the contract or any part thereof within the period fixed for such completion in the schedule or at any time repudiates the contract before the expiry of such period, OIL may, without prejudice to any other right or remedy available to him, recover damages for breach of the contract.
- 42.2 Recover from the Contractor as agreed liquidated damages and not by way of penalty, a sum equivalent to:

In case of works /service contracts, liquidated damages @ ½% of the contract per week or part thereof for delay in completion subject to a maximum ceiling of 7.5% of contract value as shown in Annexure-II.

- 42.3 In case of delay in execution /completion of the contract beyond the scheduled dates OIL may



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cancel the contract in full or a portion thereof, by serving prior notice of 15 days to the contractor, unless during these 15 days notice period the contractor initiates remedial actions acceptable to OIL. In case of cancellation of contract OIL may recover LD and forfeit security deposit made by contractor besides getting the work completed by other means at the cost and risk of the contractor.

- 42.4 It may further be noted that clause above provides for recovery of liquidated damages (and not by way of penalty) on the contract price of delayed completion (whole unit). LD for delay in contract thus accrued will be recovered by the paying authorities of the contractor specified in the contract, from the bill for payment of the cost of contract / milestone payments submitted by the contractor in accordance with the terms of contract or otherwise.
- 42.5 The Company may without prejudice to its right to effect recovery by any other method, deduct the amount of liquidated damages from any money belonging to the Contract in its hands (which includes the company's right to claim such amount against Contractor's Bank Guarantee) or which may become due to the Contractor. Any such recovery of liquidated damages shall not in any way relieve the Contractor from any of its obligations to complete the works or from any other obligations and liabilities under the Contract.
- 42.6 Notwithstanding anything stated above, works will be deemed to have been completed only when all its components and parts are also completed. If certain components of works are not completed in time, the works will be considered as delayed until such time all the balance jobs are also completed.

43.0 DEVIATION / VARIATION IN QUANTITIES AND NEW / EXTRA / SUBSTITUTED ITEMS

43.1 **Item Rate/Percentage Rate Contracts.**

In case of Item Rate/Percentage Rate bidding, the following procedures will be adopted in the finalization of rates for Variation, Extra and Substituted items.

43.2 **Variation**

- 43.2.1 Variation means variation in quantities of items, i.e. where there is increase or decrease in the quantities of items of work in the agreement. In other words, the nomenclature remains the same but the quantities vary with those provided in the agreement.
- 43.2.2 Variation of the stipulated quantities of individual items in the contract shall require the approval of Competent Authority preferably before allowing such variation but in exceptional case within a period not later than 7 days from the assessment date of variance required.
- 43.2.3 The rates payable in respect of individual items in the contract shall be as per the contract rates/ OIL SOR/OIL internal estimate /contractor's quoted rate (whichever is lower).
- 43.2.4 The rates payable for variations in quantities in respect of individual items shall be worked out at market rates/OIL SOR/contractor's quoted rate (whichever is lower) prevailing at the time of commencement of execution of these items.



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43.3 Extra /Substituted Items

43.3.1 Extra items of work are items, which are completely new and in addition to the items in the contract.

43.3.2 Substituted items are items which are taken up in lieu of those already provided in the contract.

43.3.3 The powers to accord sanction for extra and substituted items shall be as per DOP.

43.3.4 The rates for the extra items shall be worked out at OIL SOR/CPWD/PWD/ market rates/on contractor's quoted percentage on the original contract items whichever is lower prevailing at the time of commencement of execution of these items.

43.3.5 For substituted items, the agreement 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.

44.0 ESCALATION (FOR ITEM RATE / PERCENTAGE RATE CONTRACTS)

- A. All short duration contracts up to 24 months shall be awarded on fixed price basis and are not subject to any escalation what so ever. However, only statutory variation limited to duties and taxes and minimum wage are considered for adjustment in contract price.

For calculating escalation, base prices should be taken as on the date of opening of the Bids.

- B. The Contract document should specify the suitable percentage of input for labor, materials like cement, steel, bitumen, POL and other materials and equipment usage i.e. %age labour component, material component & service component for the purposes of calculating escalation.

- C. Escalation should be calculated, based on

- Notified fair wages and in the absence of which consumer price index for labour may be applicable,
- Market rate for cement and steel
- Average official retail price of bitumen & POL, and whole sale price index for other materials
- Published Government Documents should be used for calculation of escalation amount.

- D. Escalation Reimbursement should be to the extent of 85% of the escalation so calculated.

44.1 Subsequent enactments (applicable for all contracts)

44.1.1 In the event of introduction of new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or any change in the interpretation by any Court of India of any said Act or law, rules or regulations which becomes effective after the date of submission of Price Bid or revised price bid, if any, which results in increased cost of the Works under the Contract through increased liability of taxes (other than personnel taxes), duties, fees the Contractor shall be indemnified for any such increased cost which is directly



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attributable to such introduction of new legislation or change or amendment as mentioned above till schedule completion date by the Company subject to production of documentary proof to, the satisfaction of the Company, to the extent which is directly attributable to such introduction of new legislation or change or amendment as mentioned above and as specified in the contract.

- 44.2.1 Similarly, if introduction of new legislation or any change or amendment or enforcement of any Act or Law, Rules or Regulations of Government of India or Public Body or any change in the interpretation by the Supreme Court of India of any said Act or Law, rules or regulations which becomes effective after the date of submission of Price Bid or revised price bid, if any, which results in decreased cost of works through reduced liability of taxes (other than personnel taxes), duties fees, the Contractor shall pass on the benefits of such reduced taxes, duties or fees to the Company to the extent, which is directly attributable to such introduction of new legislation or change or amendment as mentioned above and as specified in the contract
- 44.2.2 All duties, taxes, fees, charges, expenses, etc. (except where otherwise expressly provided in the Contract) as may be levied/ imposed in consequence of execution of the Works or in relation thereto or in connection therewith as per the Acts, Laws, Rules, Regulations in force on the date of submission of Price Bid or revised price bid, if any, for the Contract shall be to Contractor's account. Any increase/decrease in such duties, taxes, fees, charges, expenses etc. after the date of submission of price bid or revised price bid, if any, but within the Scheduled Completion Date or the extended date of completion of Works (for reasons not attributable to the contractor) will be to the account of the Company.
- 44.2.3 Any increase in the duties, taxes, and fees after the aforesaid Scheduled Completion Date or the extended date of completion of Works will be to Contractor's account. However, any decrease of duties, taxes, and fees after the date of completion of Works will be to Company's account.
- 44.2.4 In case of introduction of new legislation or change or amendment in any act or law after the Scheduled/extended Completion Date (extended in accordance with the provisions of the Contract), but which comes into force or becomes effect retrospectively from a date on or before the Scheduled/extended Completion Date and which results in any increase/decrease in the duties, taxes and fees under the Contract, then such increase/decrease, subject to the conditions stipulated in clause shall be to the Company's account.
- 44.2.5 The Contract Price and other prices given in the Schedule of Prices are based on the applicable tariff as indicated by the Contractor in the Schedule of Prices prevailing on the date of the bid. In case this information subsequently proves to be wrong, incorrect or misleading, the Company will have no liability to reimburse/pay to the Contractor the excess duties, taxes, fees, if any finally levied/imposed by the concerned authorities.
- 44.2.6 Notwithstanding the provision contained in above paras, the Company shall not bear any liability in respect of:
- i. Personal taxes on the personnel deployed by Contractor, their sub-contractors/ and agents etc.
 - ii. Corporate taxes in respect of contractors and all of their sub-contractors, agents etc.
 - iii. Service tax, VAT in respect of the sub-contractors, agents etc.



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45.0 PAYMENT OF BILLS

45.1 Contract Price

The OIL shall pay to the Contractor in consideration of satisfactory completion of all the works covered by the Scope of Work under the Contract at the Contract Price as per the details and break-up of prices given in schedule of prices given in the contract. Payment shall be made in the currency or currencies given in the schedule of prices for the work executed as per the procedure. Adjustment to Contract Price, if any, shall be made in accordance with provisions of Contract.

45.2 Payment Procedure

45.2.1 Pending completion of the whole Works, provisional progressive payments for the part of the Works executed by the Contractor shall be made on the basis of said work completed and certified by the Head (Indenting Department) as per the milestone payment formula / detailed measurements of executed items taken jointly by the contractor and the Head (Indenting Department) or their authorized representative, as per provision of the contract. Such certification of the Work completed shall be made by Head (Indenting Department) after receipt of Contractor's Application for Certification with all required supporting documents. No payment shall become due and payable to the Contractor until Contract is signed by the two parties and Contractor furnishes Performance Security to the OIL.

45.2.2 The Contractor shall submit invoice(s) once in each month along with four/six copies as referred in the contract, with all required supporting documents and details of the said work to OIL's Representative for certification of the said invoice, for approval of the amount payable and payment thereafter. Contractor shall submit separately a monthly invoice for Extra Work, if any, approved by OIL.

45.2.3 Full rates, as per agreement should be allowed only if the quality of work done conforms to the specification of that standard and under the agreement it is permissible to make a final payment. If the contract is determined, or an on account payment, if the contract is to run, on a part rate considered reasonable should be allowed with due regard to the work remaining to be done and general terms of the agreement, after getting the part rate statement approved from Head(Indenting Department) and approved by competent authority.

45.2.4 If the contract is for a completed item of work and the contractor is required to obtain materials of any description from OIL, necessary recoveries on account of the cost of materials supplied to him from OIL should be affected from each invoice at the recovery rates fixed for the purpose.

45.2.5 The Head (Indenting Department), OIL shall arrange approval of the invoice (undisputed amount) and payments within 15 (fifteen) working days of receipt thereof after certification by the Head (Indenting Department) in the event of the OIL objecting to any portion of Work covered by the said invoice, such objection shall be communicated to the Contractor within 10 (ten) working days from the date of receipt of certified invoice by the OIL. (Verification and certification of the invoices shall be done by the indenting authorities). In case the contractor is not notified by the Indenting department of any objection in the invoice or part thereof within 15 days then it shall be presumed that the invoice is in order and will be processed for payment. The Contractor shall have the right to claim the payment of such amounts objected, if any, by OIL in subsequent invoice after removal of cause of such objection.



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- 45.2.6 Within 30 working days of the receipt of the invoice, the undisputed amount of each invoice so approved / certified, will be released for payment and remittance to the contractor, subject to deduction of withholding tax, if any.
- 45.2.7 Payment for amount objected to by OIL as referred to in para- 45.2.5 above, shall be made in accordance with provision when the objection has been removed /settled and the Contractor submits fresh invoice for the same.
- 45.2.8 Invoice for Extra Work: No invoice for extra work on account of actual requirement will be submitted by the Contractor unless the said extra work / change order has been authorized/ approved by OIL in writing. Payment against all these Extra Works shall be made by OIL after approval of Extra work, as per Standard payments terms & conditions.
- 45.2.9 After due vetting of the documents for change in duties/Taxes under change in law by OIL, Invoice on account of change in duties/taxes under change in law, shall be submitted by the Contractor after payment of all duties/taxes along with necessary supporting documents in a single invoice.
- 45.2.10 All the payments by OIL shall be remitted to the Contractor's bank account to be specified by the Contractor in writing to OIL before submission of the first invoice (in case the particulars and bank account is not submitted at the time of quotation or there is a change in bank account as originally intimated). The payment shall be made in currencies stated in the Contract. OIL shall be deemed to have arranged payment to the Contractor on the date of transmission of instruction to the Contractor's Bank in the country where the money is required to be paid to the Contractor.
- 45.2.11 OIL shall also inform in writing to the Contractor the details of remittance i.e. amount and date. Bank charges of bank(s) in India shall be borne by OIL whereas bank charges of bank(s) in Contractor's designated locations, if any, shall be borne by Contractor.
- 45.2.12 In the event of OIL noticing at any time that any amount has been disbursed wrongly to the Contractor or any other amount is due from the Contractor to OIL, OIL may without prejudice to its rights recover such amounts by other means after notifying the Contractor or deduct such amount from any payment falling due to the Contractor. Details of such recovery if any will be intimated to the Contractor. The 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 OIL or the Contractor.

46.0 QUALITY CONTROL

- 46.1 In the Quality Control system, the Head (Indenting Department) shall adopt the relevant quality control measures to ensure the desired results.
- 46.2 The direct responsibility for ensuring proper quality of work as per approved specifications and correctness of the measurements taken jointly by the contractor or their authorized representative rests with the Head (Indenting Department).
- 46.3 The Head (Indenting Department) shall be overall responsible for management of quality system



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and procedures for works under his charge.

46.4 The contractor shall take the approval of quality plan from Head (Indenting Department) in accordance with the Contract and shall comply in totality.

47.0 SETTLEMENT OF DISPUTES -

47.1 CONCILIATION:

47.1.1 Mutual Consultation:

If any dispute or difference of any kind whatsoever shall arise between the Employer and the Contractor in connection with or arising out of the Contract, including without prejudice to the generality of foregoing, any question regarding its existence, validity or termination or the execution of the Works whether during the progress or after completion of the Works and whether before or after the termination, abandonment or breach of Contract the parties shall seek to resolve any dispute or difference by mutual consultation. The representative of the Engineer-in-charge and the Contractor shall resolve such a dispute or difference by mutual consultation within a period of 30 days from the date on which the party raising the dispute, first communicated the same in writing to the other party, with a copy to Engineer.

47.1.2 Engineer's decision:

If the parties are unable to resolve the dispute or difference as above, within a further period of 10 days after the said 30 days either party shall refer the dispute or difference to the Engineer in writing for a decision. The Engineer shall within a period of 30 days from the date of such a request communicate his decision as is appropriate in his opinion in the matter, to the parties unless the dispute or difference is referred to Outside Expert Committee (OEC) in accordance with the requirement stated herein below.

47.1.3 Outside Expert Committee (OEC):

Provision for settlement of disputes through conciliation by a Committee of Experts i.e. Outside Expert Committee shall be as under:

- i If the aggrieved party requests OIL to refer the dispute to OEC, CBC will have to approve the same and decide to appoint three member OEC panel from the already approved panel of OEC members. The disputed case where the disputed amount is Rs. 25 Lakhs or more only can be referred to OEC.
- ii. The cost of proceeding such as fees for expert, air fare, local transport, accommodation, cost towards conference facility etc. shall be borne by OIL and the contractor equally.
- iii. The party shall freeze the claim of interest, if any and shall not claim the same for the period the proceedings are pending before presentation to elaborate on their recommendations and also to clarify queries from the CBC/Board depending on the value of the Contract.
- iv. The OEC recommendations are not binding which needs to be ratified by CBC/Board depending on the value of the Contract.



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- v) After the approval by the CBC/Board, an agreement or amendment to the contract will be signed between the parties giving effect to the recommendations of the OEC for dispute resolution.
- vi) The OEC will automatically stand dissolved after 30 days from the date of settlement.

47.2 ARBITRATION;

47.2.1 In case the conciliation process mentioned in para 47.1.1 to 47.1.3 as the case may be does not help resolve the disputes or differences between the Contractor and the Employer (OIL) either party then may refer the dispute or difference to Arbitration.

47.2.2 Except as otherwise provided elsewhere in the contract if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, at any time in connection with construction, meaning, operation, effect, interpretation or out of the contract or breach thereof the same shall be decided by an Arbitral Tribunal consisting of three Arbitrators. Each party shall appoint one Arbitrator and the Arbitrators so appointed shall appoint the third Arbitrator who will act as Presiding Arbitrator.

In case a party fails to appoint an arbitrator within 30 days from the receipt of the request to do so by the other party or the two Arbitrators so appointed fail to agree on the appointment of third Arbitrator within 30 days from the date of their appointment, upon request of a party, the Chief Justice of India or any person or institution designated by him (in case of International Commercial Arbitration) shall appoint the Arbitrators/ Presiding Arbitrator. In case of domestic contracts, the Chief Justice of the High Court or any person or institution designated by him within whose jurisdiction the subject purchase order/contract has been placed/made, shall appoint the arbitrator/Presiding Arbitrator upon request of one of the parties.

If any of the Arbitrators so appointed dies, resigns, incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same; otherwise, he shall precede de novo.

It is a term of the contract that the party invoking arbitration shall specify all disputes to be referred to arbitration at the time of invocation of arbitration and not thereafter.

It is also a term of the Contract that neither party to the Contract shall be entitled for any ante-lite (pre-reference) or pendente-lite interest on the amount of the award. The Arbitral Tribunal shall give reasoned award and the same shall be final, conclusive and binding on the parties. The venue of the arbitration shall be the place from where the purchase order/contract has been placed / made. The fees of the arbitrators shall be borne by the parties nominating them and the fee of the Presiding Arbitrator, costs and other expenses incidental to the arbitration proceedings shall be borne equally by the parties. Subject to as aforesaid the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment in lieu thereof shall apply to the arbitration proceedings under this clause.

47.2.3 Arbitration Clause (Applicable In Case Of Supply Orders/ Contracts on Public Sector Enterprises)



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In the event of any dispute or difference relating to, arising from or connected with the contract, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises to be nominated by the Secretary to the Government of India, in charge of Department of Public Enterprises. The Arbitration and conciliation Act 1996 shall not be applicable to the arbitration under this clause. The award of the arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside on revision of award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary/ Additional Secretary, when so authorized by Law Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

48.0 **CLOSURE OF CONTRACT:**

48.1 In the normal course a contract may be closed on fulfillment of the following:

- a) Satisfactory completion of the work:
- b) Payment reconciliation, Stores reconciliation, No dues/claims certificate from the Heads of Department concerned and payment of final bill for the work.
- c) Satisfactory completion of defects liability period and return of Security Deposit or Performance Security.

48.2 Cases of foreclosure of contract may be dealt with generally on the lines of para 39, 40, 41, 42 & 47.1. Cases of foreclosure of contract include termination of contract by the employer, termination of contract due to death of contractor, termination of contract due to other reasons etc.

49.0 **PERFORMANCE APPRAISAL OF CONTRACTORS**

49.1 A suitable system of performance appraisal of contractors should be in place in Contracts Department. Monitoring of the same shall be entrusted in centralized cell in Contracts Department.

49.2 A file for each contractor will be opened to keep record of their performance.

49.3 At the time of preparation of final bill / completion of work, Head (Indenting Department) should forward a copy of the performance report to the Head-Contracts.

50.0 **RELEASE OF PERFORMANCE SECURITY & RETENTION MONEY BY THE ACCOUNTS DEPARTMENT**

The Contracts Department will after getting “No Objection Certificate” from Indenting Department advise the Finance & Accounts Department to return the Performance Security and Retention Money to the Contractor only

- On successful completion of work
- After completing the warranty obligation



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51.0 INVOCATION OF PERFORMANCE GUARANTEE

The Finance and Accounts Department will invoke the bank guarantee before expiry of validity after receiving instruction from the Contracts Department to do so, on the following grounds:

- Failure by the contractor to complete the work as per stipulations in the contract.
- Failure by the contractor to extend the validity of the Bank Guarantee when required to do so.
- Non- payment of liquidated damages/or any other payment due from the contractor.
- Breach of any of the provisions of the contract including warranty or defects liability provisions.
- Other valid reasons for invoking the Performance guarantee.

52.0 CONTRACTS FUNCTION IN SAP ENVIRONMENT:

Pursuant to the introduction of SAP system various functions of the contract management have been brought under ERP system. Contract procedure manual narrates various steps/functions and guidelines of the contract management in OIL. The various functions adopted through ERP system are detailed in Material Management Business Process for Procurement of External Services; June'2005 of Project "Aarohan" shall be referred.

However, individual functions showing steps in flow diagram format are enclosed from raising PR (Requisition for the services) to SES (For settlement of bills) as per Annexure – A01 to A12.

53.0 E-PROCUREMENT

53.1 The Purchase Requisitions (Indent) for SRM (E-Procurement Module) bidding is replicated from SAP R/3 system manually. The process for approval of BEC/BRC, Comparative Statement, Approval of awarding TCR, LOI/LOA etc. will take place as per existing process outside system. After due approval, all related documents will be up-loaded in the system by the dealing officer. The dealing officer will prepare the bid-invitation and upload the same after affixing digital signature as per the IT Act, 2000 for NIT purpose.

53.2 Prospective bidders who intend to participate in the Open Biddings can logon to SRM server with Guest user ID and view the documents and may request for access by providing basic information about them. Thereafter, user ID and password will be issued to them. The vendors will also be given necessary help for understanding the system.

53.3 For e-procurement bidding, the cost of Bid Document shall be specified in Indian Rupees (amount as specified at para 8.0 above), corresponding to the value of the work. The cost of Bid Document shall be collected through payment by DD/banker's cheque, Cashier's receipt. The prospective bidders can create their bid online only after payment of Bid Document cost. Indian Agents cannot purchase Bid Documents on behalf of their foreign principals, in case of e-procurement bidding. No separate proof for sale of Bid Document shall be required to be submitted along with the bid made by bidders in e-procurement bidding.

53.3.1 The firms registered with NSIC / Directorate of Industries who intend to claim exemption from



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payment of Bid Document cost, must furnish the evidence that they are registered for the items they intend to bid. Such documentary evidence should be submitted to OIL at least 7 days in advance of date of closing of sale of Bid Documents.

- 53.4 In the IFB 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 Head-Contracts for the particular IFB, should be indicated.
- 53.5 It shall be insisted that all bidders participating in e-bidding should submit bids only in e-form. Only Bid Bond, Power of attorney of signatory or any specific third party document insisted in Originals as per IFB/Bid condition alone shall be accepted in physical form. For submitting the bids, the vendors will also require digital signature. All such reports, TC recommendations and approvals which will be outside system, will be subsequently uploaded in the system by the dealing officer.
- 53.6 After finalization of the bids, the supply orders will be issued through SAP – R3 system.
- 53.7 Other provisions of Contracts Manual and Instructions issued from time to time shall be followed by all concerned, as in case of non e-procurement bidding.

54.0 **REVERSE AUCTION**

54.1 Reverse Auction is a procurement tool to fetch competitive price through multi bidding online negotiation among short-listed bidders. Through this process, the short-listed bidders get an opportunity to reduce their prices online in a transparent and fair manner based on the evaluation methodology stipulated in the BEC/BRC of the Bid Document without the identity of bidder being disclosed to either to other bidders or to OIL officials. The entire process is designed to bring a complete transparency in the negotiation process as under:

- a) To minimize human involvement.
- b) To give equal opportunity to all short listed suppliers to be the most competitive (price wise) for our requirement.
- c) To help bidders to know their price / position dynamically vis-à-vis the other suppliers and providing them an opportunity to react to it.

The system will come into force with effect from such date as the management may decide.

55.0 **IMPLEMENTATION OF INTEGRITY PACT AND FRAUD PREVENTION POLICY**

55.1 As and when decision to implement the Integrity Pact and Fraud Prevention Policy in OIL is taken, the Bid Documents will have suitable provision to give effect to them.

56.0 **INCONSISTENCY BETWEEN THIS MANUAL AND BID DOCUMENT/ CONTRACT**

56.1 In case of any inconsistency between the contents of this manual and Bid Document/Contract on any matter, the provisions of the Bid Document/Contract shall prevail.



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57.0 **AMENDMENT OF WORK MANUAL AND PROCEDURES**

Necessary Amendments / Additions to the Contracts Manual, is permissible with the approval of CBC which has been duly recommended by LMC.

Clarifications/interpretations required, if any, on the Contracts Procedure Manual shall be provided by General Manager (Services). However, the clarifications resulting into addition/deletion/ modifications/ changes in the manual, within the existing policy guidelines, shall be approved by CBC.



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ANNEXURE-I

Cost of Bid Document

Cost of Bid Document shall be fixed as under:

A. For Domestic Competitive Bidding

<u>Estimated Work Value</u>	<u>Cost of Bid Document</u>
Upto Rs. 25.00 Lakhs -	Rs. 500/-
Above Rs. 25.00 Lakhs to Rs. 100.00 Lakhs	Rs. 2,000/-
Above Rs. 100.00 Lakhs	Rs. 5,000/-

B. For International Competitive Bidding

<u>Estimated Work Value</u>	<u>Cost of Bid Document</u>
Upto Rs. 5.00 Crore -	Rs. 10,000/-or equivalent US\$
Above Rs. 5.00 Crore, but upto Rs. 20.00 Crore	Rs. 20,000/- or equivalent US\$
Above Rs. 20.00 Crore	Rs. 40,000/- or equivalent US\$

Note:

1. In case of limited bids, the Bid Documents shall be issued free of cost.
2. In cases where technical drawings/specifications are voluminous and run into several pages, the cost will be fixed by the Head of contracts keeping in view the expenditure incurred thereon and the labour involved and being charged extra.



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ANNEXURE-II

Amount of Bid Security, Performance Security, Retention Money and Liquidated Damage:

Type of Contracts	Bid Security	Performance Security	Retention Money	Liquidated Damage
CATEGORY-I :(GLOBAL, MMC, AMC, Hiring of Cranes & other Equipments contracts)	1% of estimated total work value.	7.5% of 1 year contract value.	Nil	Maximum 7.5% of 1 st yr contract value (including mobilization cost).
CATEGORY-II :(LSTK and other Project jobs)	1% of estimated total work value.	7.5% of contract value.	Nil	Maximum 7.5% of estimated total contract value.
CATEGORY-III : (Listed & Un-listed labour contracts)	0.5% of estimated total work value.	7.5% of contract value.	Nil	Maximum 7.5% of estimated total contract value.
CATEGORY-IV :- (Civil, Maintenance, Transport, Labour oriented Contracts & any other contracts other than category I,II & III)	0.5% of estimated total work value.	2.5% of contract value.	7.5% on the running bills. Nil- for Transport contracts	Maximum 7.5% of estimated total contract value.

NOTE: For some of the civil contract jobs, one time security deposit is obtained from the OIL registered contractors. In that case no Bid Security is required from them at the time submitting the Bids under Limited Bidding. However, in case of Open Bidding OIL registered contractors are required to furnish Bid Security along with the other bidders. The one time security deposit amount will depend on the maximum amount of contract a contractor is entitled to carry out in a year in various classes as categorized by OIL. At present each class wise maximum amount of contract value per Contract a contractor can work are as follows:-

- A Class – upto Rs. 25 Lakhs
- B Class – upto Rs. 20 Lakhs
- C Class – upto Rs.10 Lakhs
- D Class – upto Rs. 2 Lakhs

The one time security deposit is refunded if the registration is cancelled.



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Defects liability period/Warranty Period:

Time period shall be normally be fixed as under

- i. **For Periodic Service contract** (like drilling, logging, MMC, consultancy, AMC etc.) - 3 months from the contract completion time.
- ii. **For Project job including civil construction contracts with fixed completion time** - 6 months from the contract completion time.
- iii. **For LSTK and Any contract involving supply of equipment, machinery, plant etc. on sale basis** -12 months from the satisfactory commissioning of plant/project under the contract.
- iv. **For Labour (unskilled) supply contracts and all transport contracts** - Nil.



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ANNEXURE-III

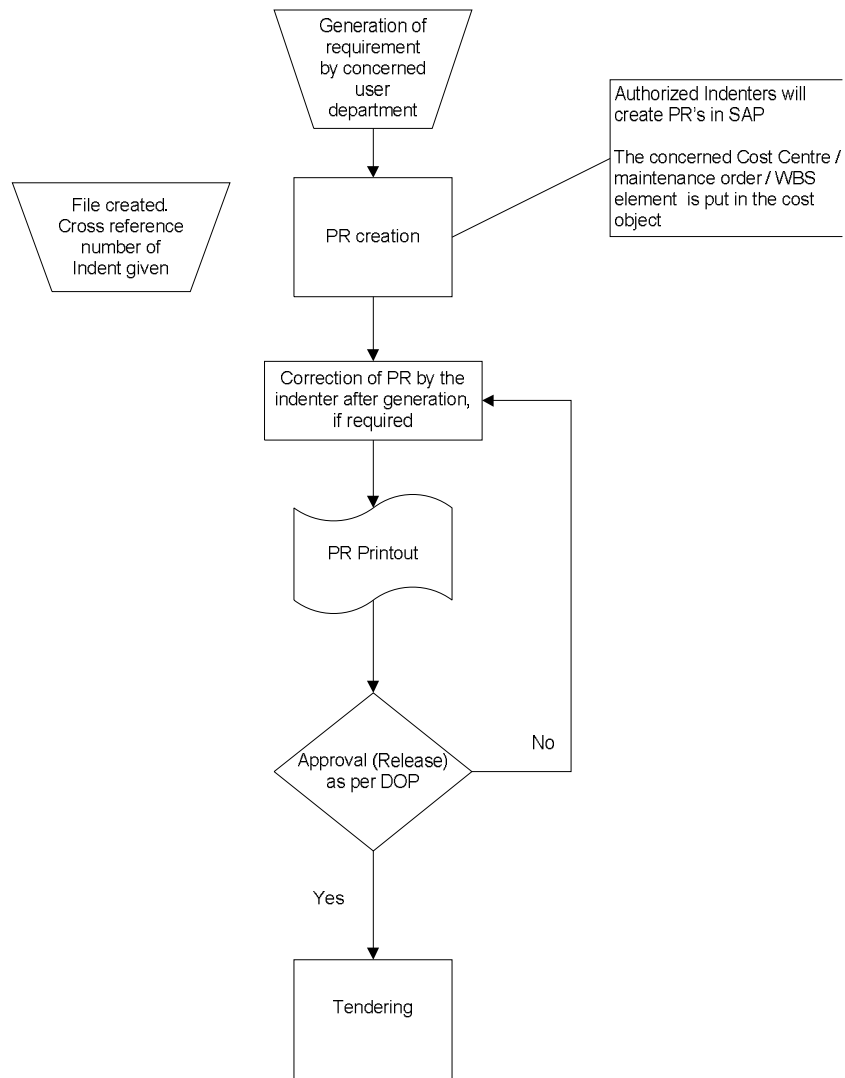
Signature of Firm's Rep.(s) who attended Tender opening		14	
Special remarks of Bid opening Officer, if any		13	
Signature of Bid opening officers	Finance Officer	12	
	Bid processing Officer	11	
Sl. No. allotted to each bid		10	
Signature of Firm's representative(if by hand)		9	
Signature	Bid issuing Officer	8	
	Assistant	7	
Date of Issue		6	
Date of receipt of application for Bid Document		5	
Value of Bank Draft /Banker's Cheque/ Money receipt		4	
Bank Draft's/ Banker's cheque/money receipt		3	
Name of the firm to whom Bid Document issued		2	
Sl. No.		1	

Annexure IV-01: Flow diagram of P R (services other than misc. civil services)

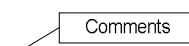
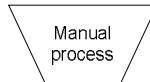
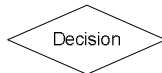
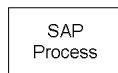


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PURCHASE REQUISITION FOR SERVICES
(OTHER THAN MISC CIVIL SERVICES)



Legend

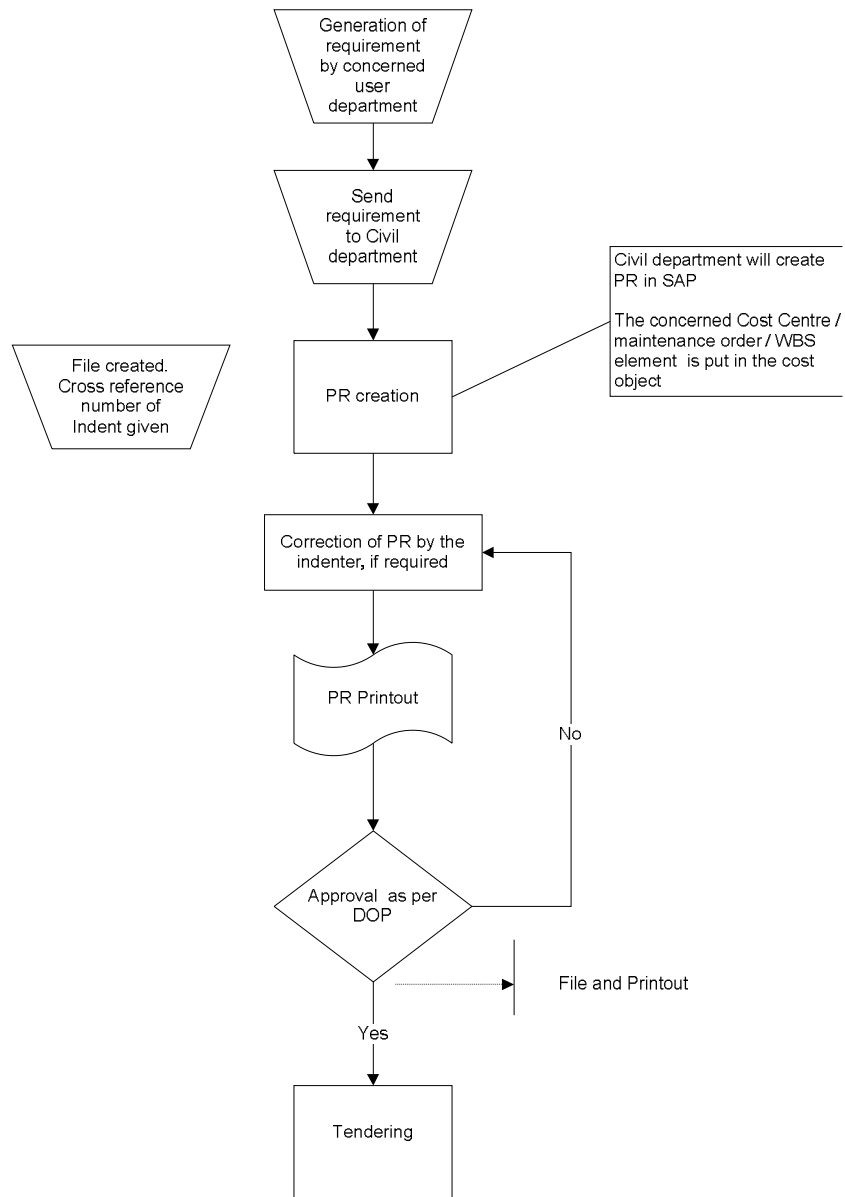




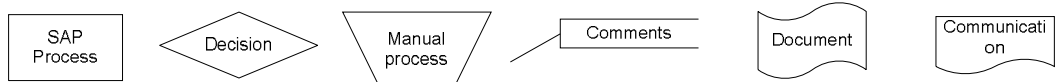
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Annexure IV-02: Flow diagram of PR (Civil Misc. Maintenance Jobs)

PR for Civil Misc. Maintenance Jobs



Legend

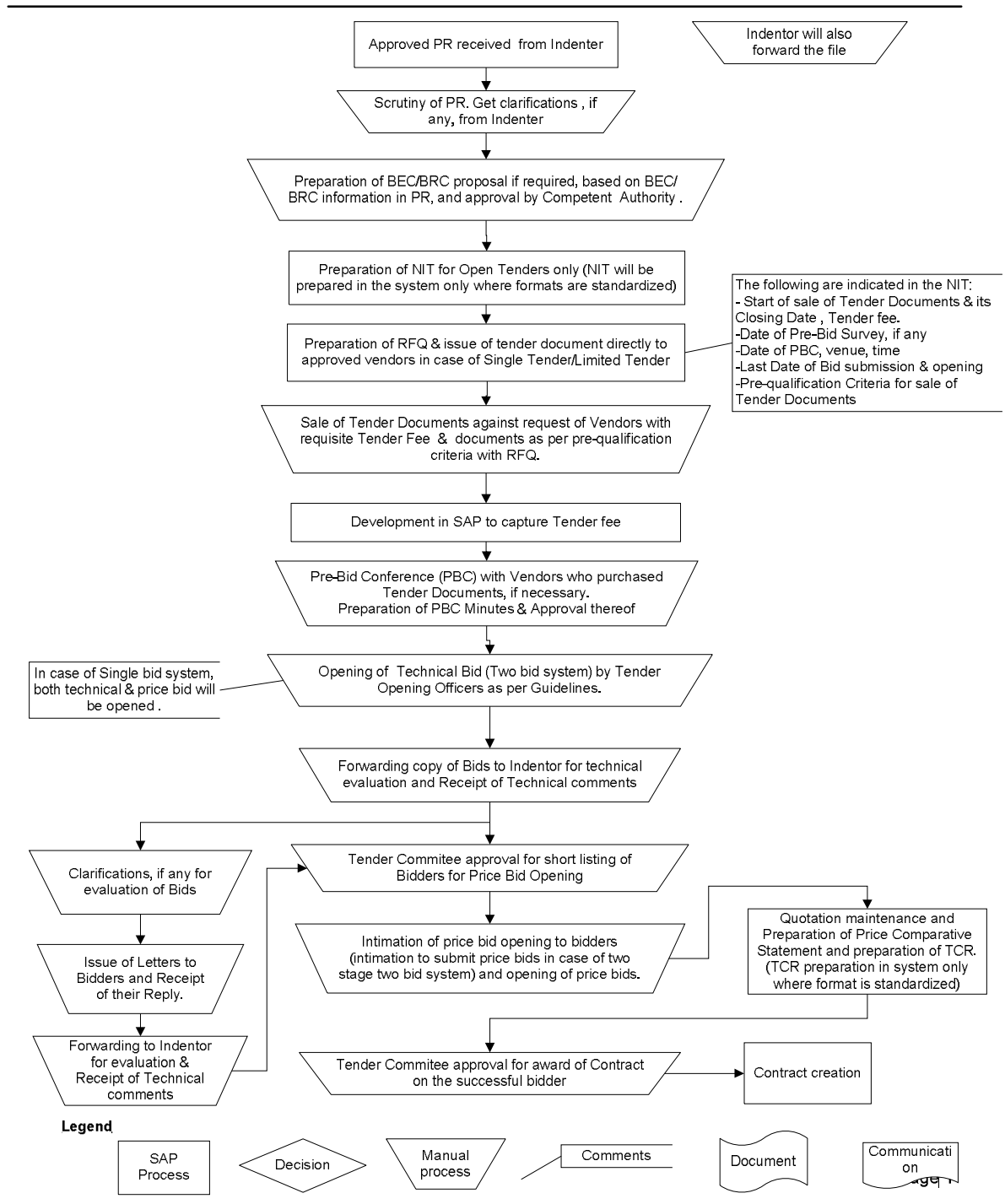




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Annexure IV-03: Flow diagram of Bidding process:

TENDER PROCESSING

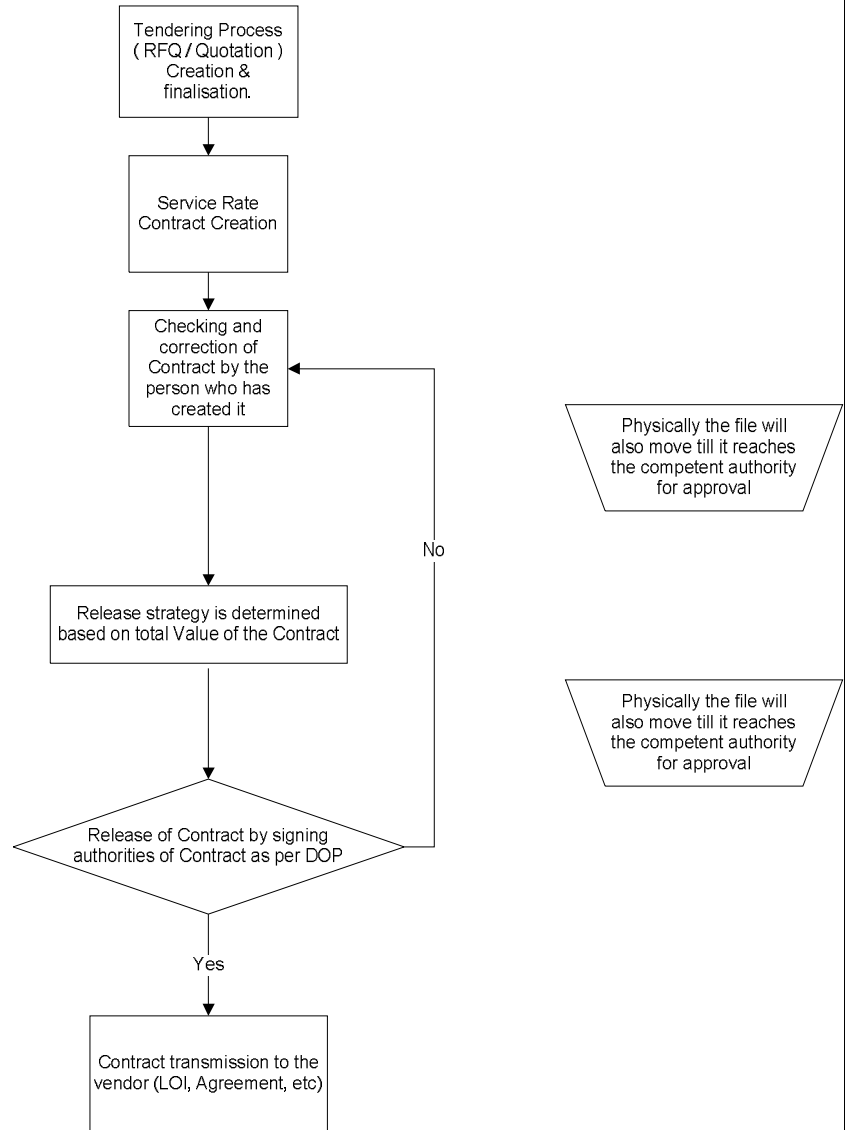




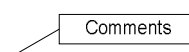
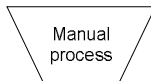
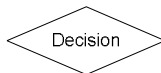
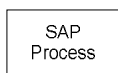
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Annexure IV-04: Flow diagram of Service Rate Contracts

SERVICE RATE CONTRACT (OUTLINE AGREEMENT)



Legend

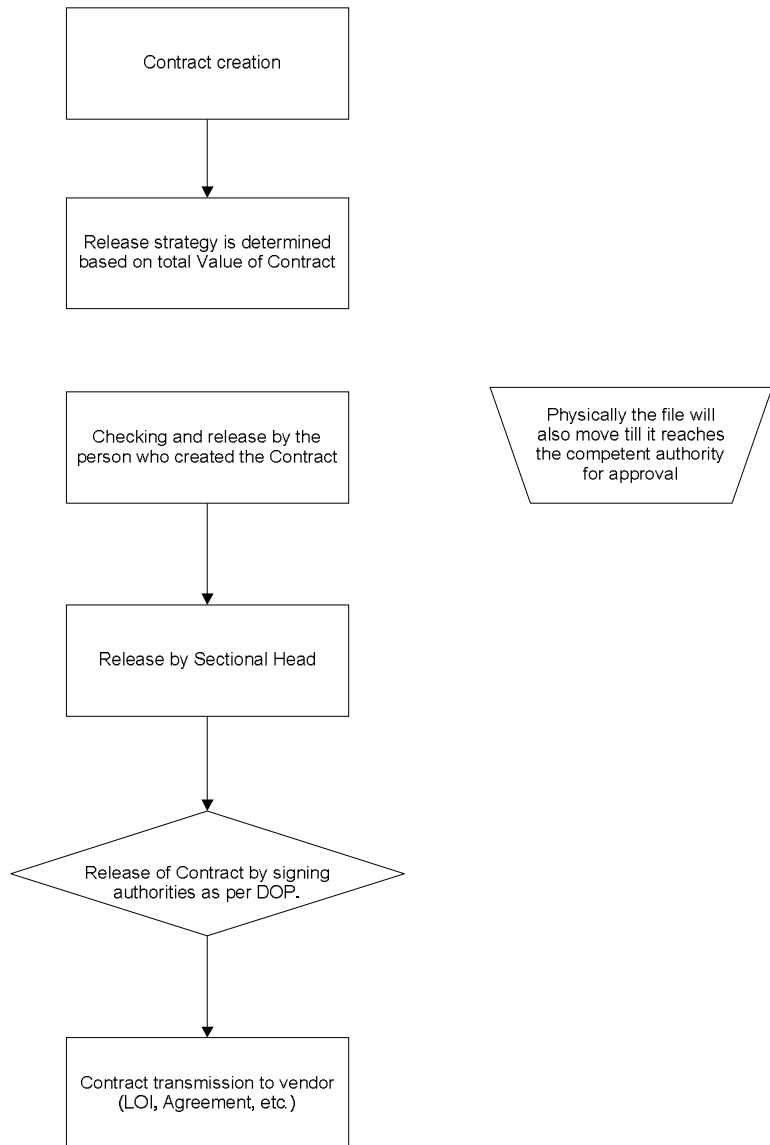




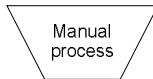
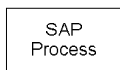
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Annexure IV-05: Flow diagram of Service Contracts Approval

SERVICE CONTRACT APPROVAL FLOW



Legend

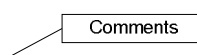
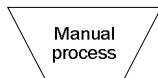
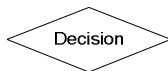
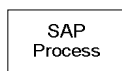
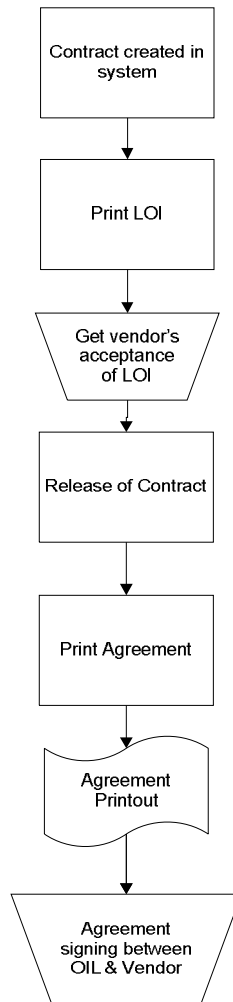




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Annexure IV-06: Flow diagram of Service Rate Contracts Transmission

TRANSMISSION OF OUTLINE AGREEMENT (SERVICE RATE CONTRACT)

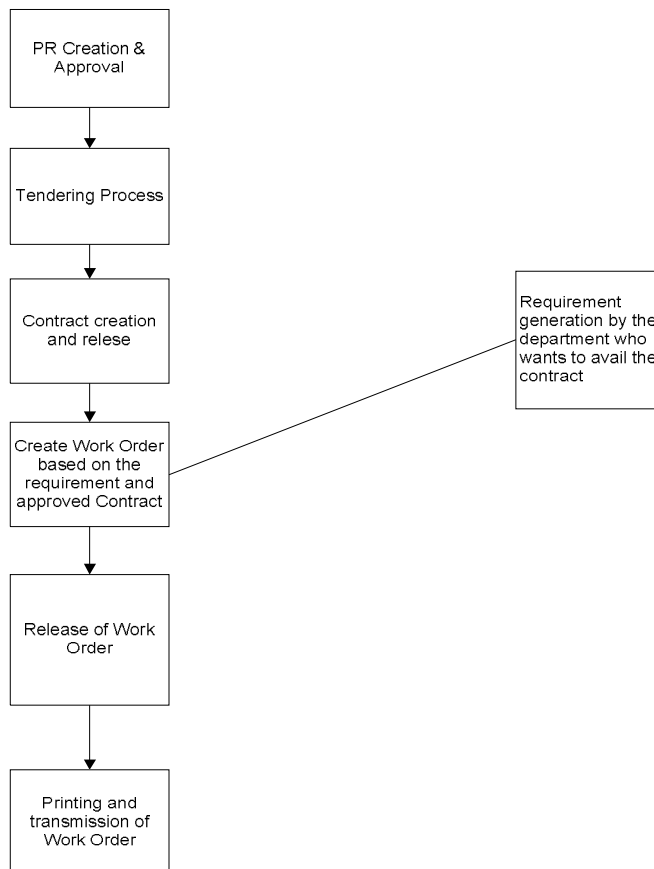




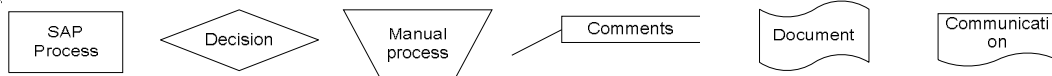
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Annexure IV-07: Flow diagram of Work Order processing (Other than Civil Misc. Work Orders)

WORK ORDER PROCESSING



Legend

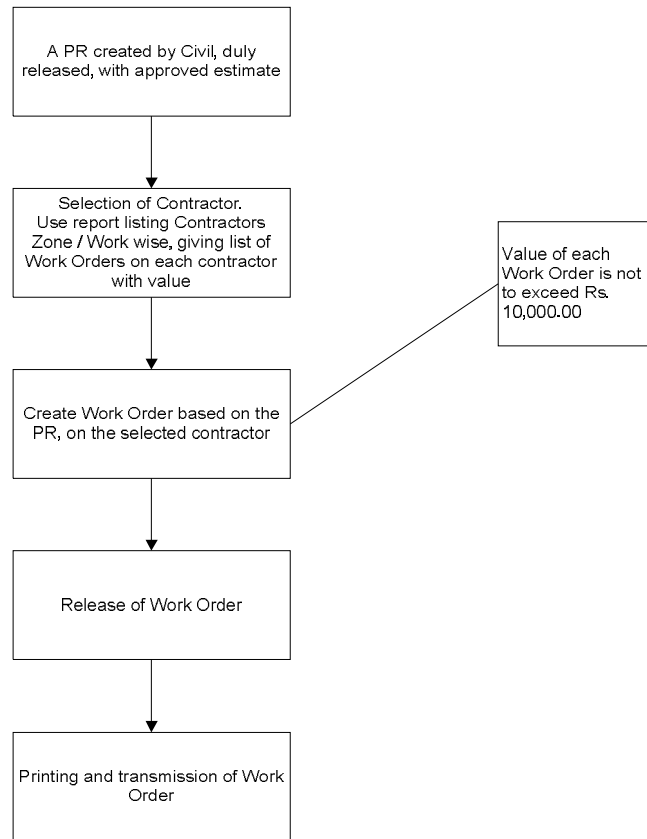




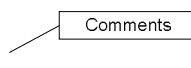
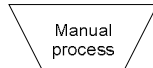
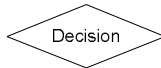
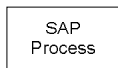
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Annexure IV-08: Flow diagram of Civil Misc. Work Order processing.

CIVIL MISC MAINTENANCE WORK ORDER PROCESSING



Legend

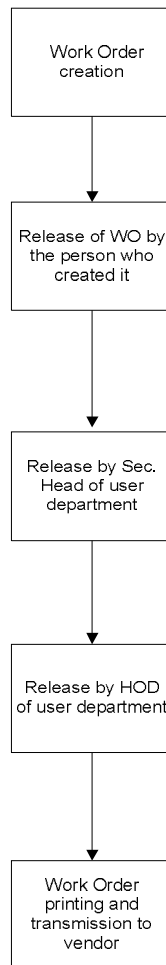




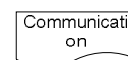
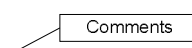
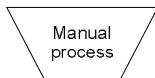
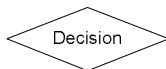
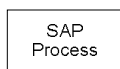
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Annexure IV-09: Flow diagram – Work Order Approval and Transmission

WORK ORDER APPROVAL AND TRANSMISSION



Legend

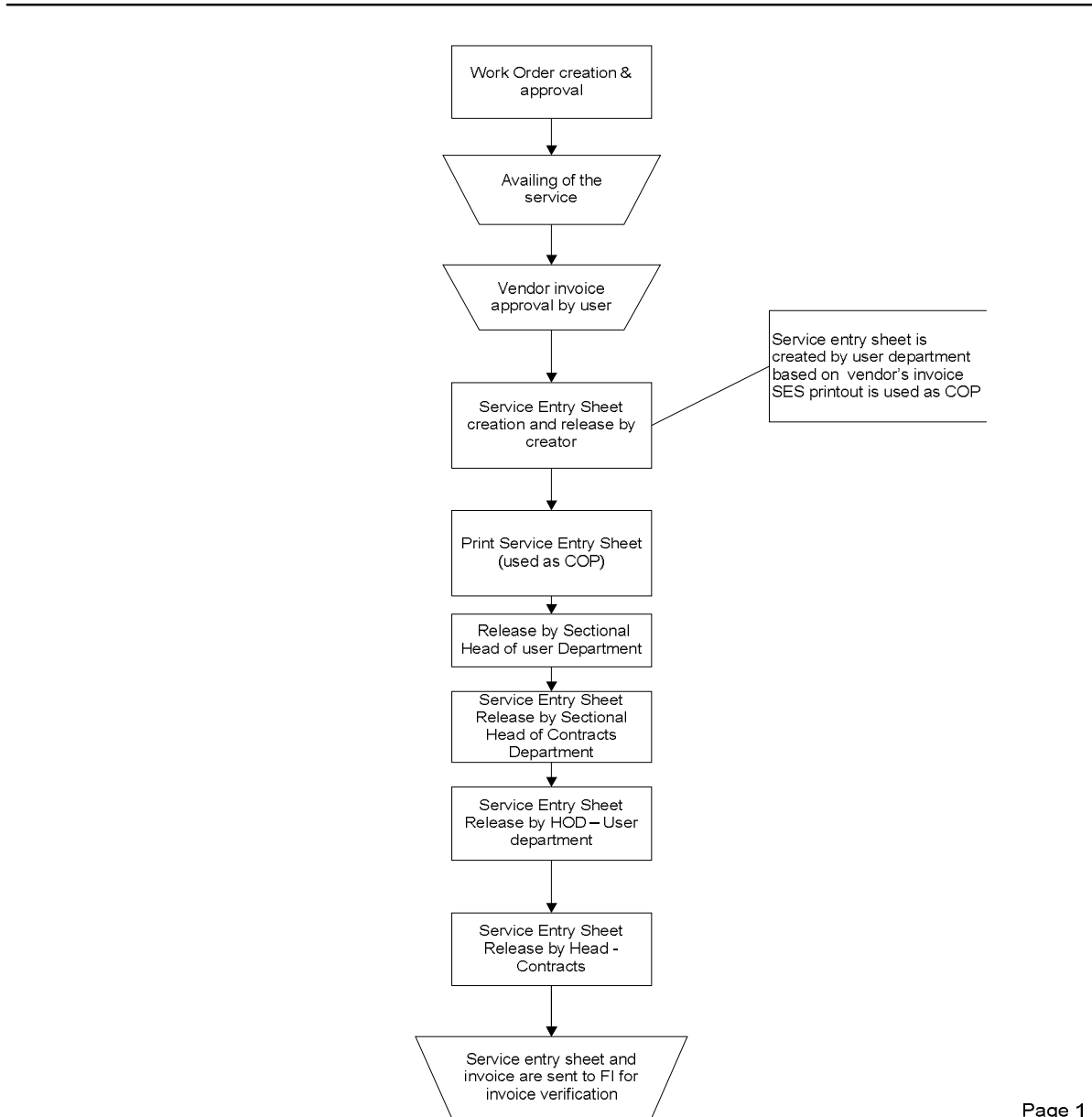




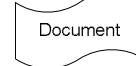
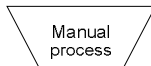
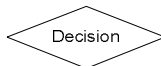
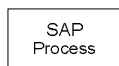
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Annexure -IV-10: Flow diagram of Service Entry Sheet

SERVICE ENTRY SHEET



Legend





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Annexure IV-11: Flow diagram – Doc Types for Purchasing Documents

PURCHASING DOCUMENT TYPES

