

AMENDMENT NO. 03 (Commercial)
TO
BIDDING DOCUMENT NO.: CPG3774P17
Creation of Group Gathering Station (GGS) at Baghjan in Upper Assam

NAME OF WORK: GROUP GATHERING STATION
IFB No. /E-TENDER No.: CPG3774P17

The terms, conditions, specifications and stipulations of the Bidding Document shall stand modified to the extent indicated here below under column “Modification/Addition/Deletion” and subject to these modifications; all other terms, conditions, specifications and stipulations of the Bidding Document & Amendments issued earlier shall remain unchanged.

SL. No.	Section(Document)	Clause No.	Subject	Modification/Addition/Deletion
1	VOLUME - I, PART - 1, INSTRUCTION TO BIDDERS (ITB)	New Clauses 37.0 – 41.5 [starting from page no 33 of 269] on Purchase Preference Policy (linked with Local Content) (PP-LC) notified vide letter no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 of MoPNG	Purchase Preference Policy (linked with Local Content) (PP-LC)	New clauses bearing clause No. 37.0 to 41.5 (as per Annexure-A attached herewith) have been added under VOLUME - I, PART - 1, INSTRUCTION TO BIDDERS (ITB) of the bid document. Note: Bidders to take note of CALCULATION OF LOCAL CONTENT-EPC (GOOD AND SERVICE) as given in Enclosure IV of policy document. Format for Enclosure IV is attached herewith for ready reference
2	VOLUME - I, PART - 2, BID EVALUATION CRITERIA (BEC)	New Clause 9.0 [page no starting from 41 of 269] on Purchase Preference Policy (linked with Local Content) (PP-LC) notified vide letter no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 of MoPNG	Purchase Preference Policy (linked with Local Content) (PP-LC)	New clause No. 9.0 has been added under VOLUME - I, PART - 2, BID EVALUATION CRITERIA (BEC) as under. Quote Purchase preference policy-linked with Local Content (PP - LC) notified vide letter no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 of MoP&NG shall be applicable in this tender. Bidders seeking benefits, under Purchase Preference Policy (linked with Local Content) (PP-LC) shall have to comply with all the provisions specified at clause Nos. 37.0 - 41.5 of ITB and shall have to submit all undertakings / documents applicable for this policy. - Unquote
3.	VOLUME - I, PART - 2, BID EVALUATION CRITERIA (BEC)	New Clause 10.0 [page no starting from 41 of 269]	Purchase Preference to Micro and Small Enterprises as per Public	New clause No. 10.0 has been added under VOLUME - I, PART - 2, BID EVALUATION CRITERIA (BEC) as under.

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			<p>Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012</p>	<p>Quote Purchase Preference to Micro and Small Enterprises (MSEs) registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Board or Coir Board or National Small Industries Corporation or Directorate of Handlooms or any other body specified by Ministry of Micro, Small and Medium Enterprises (MSME) will be applicable as per Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 of Govt. of India.</p> <p>In case a bidder is eligible to seek benefits under PP-LC policy as well as Public Procurement Policy for MSEs - Order 2012, then the bidders should categorically seek benefits against only one of the two policies i.e. either PP-LC or MSE policy. If a bidder seeks free of cost tender document under the MSE policy, then it shall be considered that the bidder has sought benefit against the MSE policy and this option once exercised cannot be modified subsequently. -</p> <p>Unquote</p>
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Note :

- 1. Bidder to submit this Commercial Amendment No. 03 duly signed & stamped as token of acceptance and shall upload this document in the un-priced folder of the e - bid.**

(STAMP & SIGNATURE OF BIDDER)

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ANNEXURE – A

NEW CLAUSES IN VOLUME-1, PART-1(INSTRUCTIONS TO BIDDERS) AFTER CLAUSE NO. 36.0

37.0 Purchase preference policy (linked with Local Content) (PP-LC) notified vide letter no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 of MoPNG:

37.1 Bidders seeking Purchase preference (linked with Local Content) (PP-LC) shall be required to meet / exceed the target of Local Content (LC) of 50%

37.1.1 Such bidders shall furnish following undertaking on its letter head along with their techno-commercial bid. The undertaking shall become a part of the contract.

“We _____ (Name of the bidder) hereby certify that we meet the mandatory minimum Local Content (LC) requirement of the LSTK contract i.e. _____ (to be filled as notified at Enclosure I of the policy) quoted vide offer no. _____ dated _____ against OIL tender no. _____ by us.”

37.1.2 Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor.

“We _____ the statutory auditor of M/s. _____ (name of the bidder) hereby certify that M/s. _____ (name of the bidder) meet the mandatory Local Content requirements of the LSTK Contract i.e. _____ (to be filled by the work center) quoted vide offer No. _____ dated _____ against OIL tender No. _____ by M/s. _____ (Name of the bidder).”

Note : In case of bidder(s) for whom Statutory Auditor is not required as per law required certificates shall be provided by a practicing Chartered Accountant.

37.1.3 At the bidding stage the bidder shall provide Break-up of “Local Component” and “Imported Component” in the prescribed format (as enclosed vide **Enclosure –IV** of the policy document) and shall be uploaded by the bidders along with their price bid in the e-procurement portal.

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37.2 Eligible (techno-commercially qualified) LC bidder shall be granted a purchase preference to 10% i.e. where the evaluated price is within 10% of the evaluated lowest price of Non Local Content (NLC) bidder, other things being equal. Accordingly, purchase preference shall be granted to the eligible (techno-commercially qualified) LC bidder concerned, at the lowest valid i.e. NLC price bid.

37.3 Only those LC bidders whose bids are within 10% of the NLC L1 bid would be allowed an opportunity to match L1 bid. All the eligible LC bidders shall be asked to submit their confirmation to match their price in sealed envelopes. Envelopes of the bidders shall be opened and award for the prescribed quantity shall be made to the lowest evaluated TA/CA (Techno- Commercial Acceptable) bidder among the eligible LC bidders. In case the lowest eligible LC bidder fails to match L1 price, the next eligible LC bidder will be awarded the prescribed quantity and so on. In case none of the eligible LC bidders matches the L1 bid, the actual bidder holding L1 price will secure the order.

37.3.1 Entire contract shall be awarded to the lowest techno-commercially qualified LC bidder subject to matching with valid NLC L1 rates. In case LC bidder fails to match the rates with valid NLC L1 rates then the entire contract shall be awarded to the valid NLC L1 bidder.

37.4 For the purpose of this policy, all terms used vide aforesaid policy shall be governed by the definitions specified at para 2 of the policy document notified by MoPNG vide letter No. O-27011/44/2015-ONG-II/FP dated 25.04.2017.

37.5 The successful bidder shall be obliged to fulfil the requirements of quality and delivery time in accordance with the provisions of the Purchase order/contract.

37.6 OIL shall have the right to satisfy itself of the production capability and product quality of the manufacturer.

38.0 Determination of LC:

38.1 LC of EPC Contracts shall be the ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services.

38.2 The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site. LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services.

38.3 The spent cost as mentioned in paragraph 39.2 shall include production cost in the calculation of LC of goods as mentioned in clause 38.3.1 and service cost in the calculation of LC of services as mentioned in clause 38.3.2

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38.3.1 Calculation of LC of Goods : LC shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering direct component (material) cost, direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.

38.3.2 Calculation of LC of Services : LC of Service shall be calculated on the basis of the ratio of the service cost of domestic component in service to total cost of service.

38.3.2.1 The total cost of service shall be constituted of the cost spent for rendering of service, covering:

- a) Cost of component (material), which is used.
- b) Manpower and consultant cost, cost of working equipment/facility, and
- c) General service cost, excluding profit, company overhead cost, taxes and duties.

38.3.2.2 Determination of Local Content: The determination of local content of the working equipment/facility shall be based on the following provision -

Working equipment produced in the country is valued as 100% (one hundred percent) local content; working equipment produced abroad is valued as much as nil (0% percent) local content.

39.0 Calculation of LC and Reporting :

39.1 LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as nil.

39.2 Formats for the calculation of LC of goods & services may be seen at **Enclosure-IV of the policy document.**

40.0 Certification and Verification:

40.1 Bidder seeking Purchase Preference under the policy, shall be obliged to verify the LC of goods as follows:

40.1.2 At bidding stage:

a) Price Break-up

(i) The bidder shall provide break-up of “Local Component” and “Imported Component” along with the price bid as per provisions under clause **37.1.3**

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(ii) Bidder must have LC in excess of the specified requirement.

b) Undertaking by the bidder

i. The bidder shall submit undertaking along with the techno-commercial bid as per clause no.37.1.1, such undertaking shall become a part of the contract.

ii. Bidder shall also submit the list of items/services to be procured from Indian manufacturers/service providers.

40.1.3 After Contract Award:

a) In the case of procurement, cases with the value less than Rs. 5.0 crore (Rupees Five Crore), the LC content may be calculated (self-assessment) by the contractor and certified by the Director/Authorized Representative of the Company.

b) The verification of the procurement cases with the value Rupees Five Crore and above shall be carried out by a Statutory Auditor engaged by the bidder.

40.2 Each supplier shall provide the necessary local content documentation to the statutory auditor, who shall review and determine that the Local Content requirements have been met and issue of Local Content Certificate to that effect on behalf of OIL, stating the percentage of Local Content in the goods or services measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

40.3 The Local Content certificate shall be submitted along with each invoice raised. However, the %age of Local Content may vary with invoice while maintaining the overall %age of Local Content for the total work/purchase of the pro-rata Local Content requirement. In case, it is not satisfied cumulatively in the invoices raised up to that stage, the supplier shall indicate how the Local Content requirement would be met in the subsequent stages.

40.4 Where currency quoted by the bidder is other than Indian Rupee then the bidder claiming benefits under PP-LC shall consider exchange rate prevailing on the date of notice inviting tender (NIT) for the calculation of Local Content.

40.5 OIL shall have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.

41.0 Sanctions:

41.1 OIL shall impose sanction on bidder/successful bidder for not fulfilling LC in accordance with the value mentioned in certificate of LC.

41.2 The sanctions may be in the form of written warning, financial penalty and blacklisting.

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41.3 If the bidder does not fulfil his obligation after the expiration of the period specified in such warning. OIL shall initiate action for blacklisting such bidder/ successful bidder.

41.4 A bidder who has been awarded the contract after availing Purchase Preference is found to have violated the LC provision, in the execution of the procurement contract of goods and/or services shall be subject to financial penalty over and above the PBG value prescribed in the contract and shall not be more than an amount equal to 10% of the Contract Price.

41.5 In pursuance of the clause No.41.4 above, towards fulfilment of conditions pertaining to Local Contents in accordance with the value mentioned in the certificate of LC, the bidder shall have to submit additional Bank Guarantee (format attached as **PROFORMA -T**) equivalent to the amount of PBG.

CALCULATION OF LOCAL CONTENT - EPC (GOOD AND SERVICE) (As per Enclosure IV of PP-LC Policy)**CALCULATION OF LOCAL CONTENT- EPC (GOODS AND SERVICE)**

A.	COST COMPONENT Rs./Foreign Currency (To be specified)	Cost Summary				
		Domestic	Imported Rs./Foreign Currency (To be specified)	Total	LC	
					%	Rs./Foreign Currency (To be specified)
		a	b	c = a + b	d = a / c	e = c x d
I	GOODS					
1	Material used cost					
2	Equipment cost					
3	Sub Total I					
II	SERVICES					

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1	Personnel & Consultant Cost					
2	Equipment & Work Facility Cost					
3	Construction/Fabrication Cost					
4	Other Services Cost etc					
5	Sub Total II					
III	TOTAL COST GOODS + SERVICES					
B.	Non Cost Component					
C.	TOTAL QUOTED PRICE					

Note:

$$\% \text{ LC Combination} = \frac{\text{Total domestic component cost of goods (A.I.3.a) + Total domestic component cost of services (A.II.5.a)}}{\text{Total Cost (A.III.c)}} \times 100$$

As regards cases where currency quoted by the bidder is other than Indian Rupee, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content. *(Applicable only for Foreign Purchase / Global Tenders)*

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PROFORMA - T

Proforma of Bank Guarantee towards Purchase Preference – Local Content

Ref. No. _____ Bank Guarantee No. _____
Dated _____

To
Oil India Limited

India

Dear Sirs,

1. In consideration of _____ (hereinafter referred to as OIL, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assignees) having entered into a CONTRACT No. _____ dated _____ (hereinafter called 'the CONTRACT' which expression shall include all the amendments thereto) with M/s _____ having its registered/head office at _____ (hereinafter referred to as the 'CONTRACTOR') which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) and OIL having agreed that the CONTRACTOR shall furnish to OIL a Bank guarantee for Indian Rupees/US\$ _____ for the faithful fulfillment of conditions pertaining to Local Content in accordance with the value mentioned in the certificate of Local Content submitted by the contractor for claiming purchase preference under the Purchase Preference Policy (linked with Local Content).

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2. We (name of the bank) _____ registered under the laws of _____ having head/registered office at _____ (hereinafter referred to as “the Bank”, which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay to OIL immediately on first demand in writing any / all money to the extent of Indian Rs. /US\$ (in figures) _____ (Indian Rupees/US Dollars (in words) _____) without any demur, reservation, contest or protest and/or without any reference to the CONTRACTOR. Any such demand made by OIL on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any Court, Tribunal, Arbitrator or any other authority

and/or any other matter or thin whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by OIL in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the CONTRACTOR and shall remain valid, binding and operating against the bank.

3. The Bank also agrees that OIL at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the CONTRACTOR and notwithstanding any security or other guarantee that OIL may have in relation to the CONTRACTOR’s liabilities.

4. The Bank further agrees the OIL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said CONTRACT or to extend time of performance by the said CONTRACTOR(s) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in OIL against the said CONTRACTOR(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said CONTRACTOR(s) or for any forbearance, act or omission on the part of OIL or any indulgence by OIL to the said CONTRACTOR(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the CONTRACT and all dues of OIL under or by virtue of this CONTRACT have been fully paid and its claim satisfied or discharged or till OIL discharges this guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of OIL or that of the CONTRACTOR.

7. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

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8. The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the purchase CONTRACT has been placed.

9. Notwithstanding anything contained herein above, out liability under this Guarantee is limited to Indian Rs./US\$(in figures) _____ (Indian Rupees/US Dollars (in words) _____) and our guarantee shall remain in force until _____ (indicate the date of expiry of bank guarantee).

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of OIL under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of OIL under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorized officer has set its hand and stamp on this _____ date of _____ 20__ at _____

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WITNESS NO.1

(Signature)
Full name and official address
(in legible letters)
Stamp

(Signature)
Full name, designation and address
(in legible letters)
With Bank

WITNESS NO.2

Attorney as per power of
Attorney No. _____
Dated _____

(Signature)
Full name and official address
(in legible letters)
Stamp