ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

PIPELINE HEADQUARTERS

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GENERAL TERMS AND CONDITIONS FOR NATIONAL TENDER

BOOKLET REF. MM/TENDER/LP/01/06

(APPLICABLE TO BOTH PRESS AND LIMITED NATIONAL TENDERS)

INSTRUCTIONS TO BIDDERS

GENERAL TERMS AND CONDITIONS

Bidders are requested to note the Amendment to General Terms and Conditions for National Tender (MM/TENDER/LP/01/06) included vide ANNEXURE – I & ANNEXURE - VII.

1.0 TRANSFERABILITY OF BID DOCUMENTS:

1.1 The Bid documents are non-transferable. The bid can only be submitted in the name of the bidder in whose name the bid document has been issued.

1.2 Unsolicited offers will not be considered and will be straightway rejected.

1.3 Employees of Oil India Limited are prohibited from quoting and also from getting others to quote on their behalf.

1.4 SALE OF TENDER DOCUMENTS TO FIRMS WITH WHOM BUSINESS HAS BEEN BANNED/ SUSPENDED:

Firm(s) to whom no further business is to be given or dealings with whom have been banned / suspended are not eligible to participate in the tender and any bid received from such firm(s) shall not be considered and will be returned un-opened to the concerned firm(s). (Amendment)

2.0 COST OF BIDDING:

2.1 The Bidder shall bear all costs associated with the preparation and submission of its bid and OIL will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

3.0 AMENDMENT TO BIDDING DOCUMENTS:

At any time prior to the bid closing date, OIL may for any reason, whether at its own initiative or in response to clarifications requested by the prospective bidder(s), modify the bidding document by amendment(s).

Amendments to the NIT after its issue will be published on OIL's website only. Revision, clarification, addendum, corrigendum, time extension etc. to the tender will be hosted on OIL website only. No separate notification shall be issued in the press. Prospective bidders are requested to visit website regularly to keep themselves updated. (Amendment)

3.1 OIL may at its discretion if considered necessary, extend the deadline for the submission of bids.

4.0 <u>CONTENTS OF OFFERS</u>:

4.1 Offer should be in English and the bidders are required to indicate both Ex-works as well as FOR Destination price by road. The Price Schedule shall be furnished by the bidder as per proforma vide Annexure - II. The prescribed proforma duly filled in and signed should be returned intact whether quoting for any item or not. When any item is not being quoted by the Bidder, the corresponding space should be filled up by the words “Not Quoting”. The Price Schedule shall be complete and free from ambiguity, change or interlineations.

4.2 OIL reserves the right to place order on FOR (dispatching station) or FOR (destination) terms. Offered rates should be kept firm through delivery/dispatch. Offer should be submitted in Indian Currency only.

4.3 <u>EXCISE DUTY</u>:

4.3.1 Excise Duty, if any, should be quoted either as “extra” or as inclusive as the case may be. The Seller, if happens to be a Supply House, should not quote “Excise Duty” as extra.

4.3.2 SSI Unit availing slabs rate of turnover for duty structure should specify the maximum Excise Duty levies against the order at the time of delivery, if order is placed on them.

4.3.3 Bidders, who are manufacturers, should indicate the rate of Excise Duty, if any, separately for all quoted items.

4.3.4 Any benefit/concession/exemption involved should be spelt out clearly by the bidders. In case such information is not furnished in the Bid, the offer will be loaded with the maximum amount of Excise duty applicable for the item for evaluation purpose. However, OIL reserves the right to place the order based on the excise duty indicated in the Bid which will be binding on the Bidder.

4.3.5 Bidder should indicate the following in their offer:

a) Address of the factory from where the goods will be dispatched.
b) Chapter, Heading and Sub-heading of the Excise tariff for the material offered.

4.4 <u>SALES TAX</u>:

4.4.1 In case of concessional CST @ 2 % (or any other rate as per the Act), necessary ‘C’ form shall be issued by OIL wherever applicable at the time of settlement of invoice. Wherever Assam General Sales Tax is payable by OIL, same shall be deducted at source for which Tax Deduction Certificate shall be issued.

4.4.2 Any other benefit/concession/exemption available at the time of delivery should be spelt out clearly by the bidders. In case such information is not furnished in the Bid, the offer will be loaded with the normal amount of tax applicable for the item for evaluation purpose. However, OIL reserves the right to place the order based on the tax indicated in the Bid which will be binding on the Bidder.

4.5 Taxes, Excise duty, if any, should be shown separately as indicated in the Annexure-II. IF TAXES ETC. ARE NOT SHOWN SEPARATELY THE OFFER WILL BE CONSIDERED TO BE INCLUSIVE OF ALL TAXES, DUTIES ETC. AND WILL BE BINDING ON THE BIDDER.

4.6 OTHER TAXES & LEVIES:

(i) All taxes, stamp duties and other levies for the services including installation/commissioning, Training etc. shall be to the Bidder/Seller's account.

(ii) Income Tax /Service Tax on the value of the Services rendered by the Bidder/Seller in connection with installation/commissioning, training etc. shall be deducted at source from the invoices at the appropriate rate under the I.T. Act & Rules from time to time.

4.7 STATUTORY VARIATION:

Any statutory variation (increase/decrease) in the rate of excise duty/sales tax/Customs Duty or any statutory levy after the closing date of tenders/revised priced bid, as the case may be, but within the contractual delivery/completion period will be to the account of OIL subject to documentary evidence. However, any increase in excise duty/sales tax/Customs Duty or any statutory levy after the expiry of the scheduled date of delivery shall be to the supplier's account.

4.8 **THIRD PARTY INSPECTION (When specifically called for in the tender)**:

4.8.1 All inclusive charges for Third Party Inspection must be indicated separately as shown in the Price schedule vide Annexure – II.

4.8.2 Offers without any mention about Third Party Inspection charges as specified above will be considered as inclusive of Third Party Inspection charges. When a bidder mentions Third Party Inspection charges as extra without specifying the amount, the offer will be loaded with maximum value towards Third Party Inspection charges received against the tender for comparison purposes. If the bidder emerges as lowest bidder after such loading, in the event of order on that bidder, Third Party Inspection charges mentioned by OIL on the Purchase Order will be binding on the bidder.

4.9 **SAMPLES (When specifically called for in the tender)**:

4.9.1 Bidder shall submit Samples of requisite quantity whenever called for. Each sample shall be sealed and have a card affixed indicating –

a) Bidder’s name, address, contacts Telephone No. & Email address
b) Tender No. and Bid Closing Date
c) Product Name
d) Item No. of the tender

4.9.2 Sample must be received on or before the Bid closing date failing which the offer will be rejected. The unsuccessful bidder should take back the sample submitted within 90 days from the bid closing date, failing which OIL will not have any responsibility towards safe custody of the same and OIL may dispose off the sample by any means deemed suitable.

4.9.3 Bidders who have been exempted from submission of tender sample through specific communication from OIL, need not submit any sample. However, they will be required to enclose a photocopy of the exemption letter along with their bid failing which their offers will be rejected.

4.10 **TRAINING (When specifically called for in the tender)**:

4.10.1 Bidders shall indicate cost for training OIL’s personnel separately whenever called for.

4.10.2 For training at Bidder’s premises, only the training fee should be indicated by the Bidder. All charges towards to & fro fare, boarding/lodging and daily expenses etc. for OIL’s personnel shall be borne by OIL.

4.10.3 For training at OIL’s premises, the Bidder should quote training charges which should be inclusive of all charges of their personnel viz. to and fro air fares, boarding/lodging expenses and daily expenses etc. for the entire period. Local transport for commuting to the site at the place of training will be provided by OIL.

4.11 **INSTALLATION AND COMMISSIONING (When specifically called for in the tender)**:

4.11.1 In the event installation and commissioning of the item by the technical experts of the bidders is involved, the charges thereof should be quoted separately which should be inclusive of to and fro air fares, boarding/lodging & daily expenses of the bidder’s technical personnel amongst others. OIL will provide local transport for commuting to the installation site. Bidders shall also indicate in their offer the total expected time required for installation/commissioning of the items.

4.11.2 Offers without any mention about installation/commissioning and Training charges will be loaded with maximum value towards installation/commissioning and Training charges received against the tender for comparison purposes.

4.12 **DISCOUNT:**

Conditional and unsolicited discount will not be considered in evaluation. However, if such bidder happens to be the lowest recommended bidder, unsolicited discount without any condition will be considered for computing the contract price. (Amendment)

4.13 Any interlineations, erasures or overwriting shall be valid only if they are initialed by the person or persons signing the bid.

4.14 **Bidders should offer firm prices**. Offered prices shall be both in figures and words and in case of any discrepancy between these two, the prices indicated in words will only be considered.

4.15 **VARIATION IN QUANTITY AFTER INVITATION OF TENDER:**

In case of supply tenders, the tender can have a provision for variation of quantity at the time of placement of order up to +/- 20%.The bids, however, shall be evaluated based on the tendered quantity to decide the inter se ranking of the bidder. (Amendment)

4.16 **TECHNICAL LITERATURE**:

Relevant technical literature must be submitted along with the offer whenever called for without which the offer shall be rejected.

4.17 **DELIVERY**:

Offers should be FOR delivery at site as indicated, with firm delivery date. If delivery is not specifically indicated by the bidders, it will be construed that the delivery quoted is as per delivery indicated in our TENDER and will be binding on the bidder. The delivery will be counted from the date of receipt of the letter of intent/order by the successful bidder.

4.18 **VALIDITY**:

Validity of the bid shall be at least up to the validity mentioned in the tender document. If nothing is mentioned by the bidder in their offer, it will be presumed that the offer is valid as asked for in the tender document. Bids with lesser validity shall be rejected straightway. (Amendment)

4.19 **VAGUE AND INDEFINITE EXPRESSIONS:**

Any vague and indefinite expressions such as “Subject to prior sale”, “Prices ruling at the time of dispatch”, “Subject to availability of materials” etc. will not be considered.

4.20 **TENDER FEE**

4.20.1 For Limited tenders, no tender fee will be required.

4.20.2 In case of press tenders, prospective bidders can purchase tender documents from the offices of Oil India Limited (hereinafter referred to as ‘OIL’) mentioned in the notice inviting tenders (NIT) against an application along with requisite non-refundable tender fee. The offers of the bidders who have paid tender fee shall only be considered for evaluation. OIL will not take any responsibility for any delay/late in receipt of Tender Fee.

The tender fee will be acceptable in the form of crossed "Payee Account only "Bank Draft/Bankers’ Cheque drawn by Bank and valid for 90 days from the date of issue of the same or in the form of Indian Postal Orders payable to the OIL. The IPOs/Bank Drafts/Banker’s Cheques will be deposited and accounted for at the designated station provided in the tender document. The vendor will have to pay the requisite tender fees till the tender sale end date and time mentioned in the NIT. (Amendment)

4.20.3 **EXEMPTION OF TENDER FEE**:

4.20.4 Micro and Small Enterprises (MSEs) registered with District Industry Centres or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME will be exempted from payment of tender fee 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 tenders. Such bidders should provide documentary evidence along with the bid submitted in case of physical tenders. Their bid will be considered provided the correct and valid documentary evidence is provided. The Central Govt. Departments and Central Public Sector Undertakings will also be exempted from the payment of tender fee. Parties registered with DGS&D, having valid certificates will be exempted from payment of tender fee. (Amendment)

4.20.5 Bidders who intend to claim exemption from payment of the Tender Fee, should submit their request to the Tender Inviting Officer with documentary evidence atleast 7 (seven) days prior to the last date of submission of bids, so that the exemption from payment of the Tender Fee is provided to that particular Bidder. (Amendment)

4.20.6 **CANCELLATION OF TENDER - REFUND OF TENDER FEE:**

The tender fee shall be refunded to the concerned bidder in the event, a particular tender is cancelled. (Amendment)

4.21 WITHDRAWAL OF OFFER BY BIDDER:

The bidder, after submission of bid may withdraw their bid prior to bid closing date & time. In case the due date of submission is extended even after receipt of some bids due to some special circumstances, the bidder who has already submitted bid has right either to withdraw or revise his bids, without forfeiting the EMD. (Amendment)

After bid closing date 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.

4.22 FURNISHING FRAUDULENT INFORMATION/ DOCUMENT:

If it is found that a Bidder has furnished fraudulent document/information, the Bid Security/Performance Security (wherever applicable) shall be forfeited and the party will be debarred for a period of 3(three) years from date of detection of such fraudulent act, besides the legal action. In case of major and serious fraud, period of debarment may be enhanced.

4.23 BACKING OUT BY BIDDER AFTER ISSUE OF LETTER OF AWARD (LOA):

In case the Bidder does not accept the LOA/Purchase Order issued within validity of their offer, the Bid Security (wherever applicable) shall be forfeited and the firm shall be debarred for 2(two) years.

5.0 CLARIFICATION IN RESPECT OF INCOMPLETE OFFERS:

Prospective bidders are advised to ensure that their bids are complete in all respects and conform to OIL's terms, conditions and bid evaluation criteria of the tender. Bids not complying with OIL's requirement may be rejected without seeking any clarification.

6.0 BID SECURITY:

(NOTE: This clause is applicable only in case of tenders wherever specifically mentioned.)

6.1 The Bid Security is required to protect the Company against the risk of Bidder's conduct, which would warrant forfeiture of the Bid Security, pursuant to sub clause 8.8.

6.2 All the bids must be accompanied by Bid Security in ORIGINAL for the amount as mentioned in the bid document and shall be in any one of the following forms:

(a) A Bank Guarantee in the prescribed format issued from any scheduled Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank only will be accepted.

Bank Guarantees issued by Banks in India should be on non-judicial stamp paper/Franking receipt of requisite value, as per Indian Stamp Act, purchased in the name of the Banker or the bidder.

The Bank Guarantee shall be valid for 90 days beyond the validity of the bids specified in the Bid Document.

Bank Guarantee with any condition other than those mentioned in OIL's prescribed format shall not be accepted and bids submitted by bidders with such Bank Guarantee will be liable for rejection.

(b) A Cashier's cheque or Demand Draft with validity of minimum 90 days or as per RBI's guidelines, drawn on "Oil India Limited" and payable at Guwahati, Assam.

(Note: In case of submission of Demand Draft/Cashier Cheque towards Bid Security by bidder, OIL shall encash the Demand Draft/Cashier Cheque. However, the return of Bid Security will be governed by the terms and conditions of the Bid Document.)

6.3 Any bid not accompanied by a proper Bid Security in Original secured in accordance with sub-clause 6.2 above shall be rejected outright by the Company as non-responsive without any further reference.

6.4 The Bank Guarantee issued by a Bank amongst others shall contain the complete address of the Bank including Phone Nos., Fax Nos., E-mail address and Branch Code.

6.5 The bidders shall extend the validity of the Bid Security suitably, if and when specifically advised by OIL, at the bidder's cost.

6.6 Bid Security shall not accrue any interest during its period of validity or extended validity. OIL shall not be liable to pay any bank charges, commission or interest on the amount of Bid Security.

6.7 The Bank Guarantee should be enforceable at all branches of the issuing Bank within India and preferably at Guwahati, Assam.

6.8 The Bid Security shall be forfeited:

i) If a bidder withdraws their Bid during the period of bid validity specified by the bidder or any extension thereof agreed to by the bidder, and/or

ii) If the bidder having been notified of the acceptance of their bid by Company during the validity period of the bid including extension agreed to by the bidder:

a) Fails or refuses to accept the LOI/LOA/Order/Contract and/or
b) Fails or refuses to furnish Performance Security.

and/or

iii) If a bidder furnishes fraudulent document/information in their bid and subsequent clarification against the tender/Purchase order/Contract.

6.9 The original Bid Security shall be submitted by bidder to the office of Chief Manager Materials (PL), Oil India Ltd., P.O.- Udayan Vihar, Narengi, Guwahati-781171(Assam), India in a sealed envelope which must reach Chief Manager Materials (PL) on or before 13.00 Hrs(IST) on the Bid Closing date or any other date and time specifically mentioned in the tender failing which the bid shall be rejected outright.

6.10 Unsuccessful Bidder's Bid Security will be returned within 30 days after finalization of the tender. However, in case of Two Bid tenders, Bid Security of the technically rejected biddersshall be returned after the priced bid opening of the acceptable bids.

6.11 Successful Bidder's Bid Security will be returned upon Bidder's furnishing the valid and proper Performance Security to OIL. Successful bidder will however, ensure validity of the Bid Security till such time the Performance Security in conformity with Clause 7.3 & 7.4 below is furnished.

6.12 In case, any such Bid Security in the form of a Bank Guarantee is found to be not genuine or issued by a fake banker or issued under the fake signatures, the bid submitted by the concerned bidder shall be rejected forthwith and the bidder shall be debarred from participating in future tenders for the period to be decided by Company.

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

6.14 If it is found that a bidder has furnished fraudulent document/ information, the Bid Security shall be forfeited and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act, besides the legal action. In case of major and serious fraud, the period of debarment may be enhanced.

6.15 In case a bidder does not accept the LOI/Purchase Order/LOA issued within the validity of their offer, the Bid Security(if applicable) shall be forfeited and the party shall be debarred for a period of 2 (two) years. (Amendment)

6.16 EXEMPTION OF BID SECURITY:

Central Govt. departments, Central Public Sector undertakings are exempted from submitting Bid Security. Bidders registered with DGS&D and MSE units(and not their dealers/distributors) which are themselves registered with District Industry Center or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation(NSIC) or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME are also exempted from submitting Bid Security irrespective of monetary limit mentioned in their registration certificate provided they are registered for the same item(s)/services for which tender has been invited and provided they submit offer for their own products/services. However, the valid registration certificate issued by the authorities as above and indicating the category of item/services and the monetary limit for which they are registered must be submitted by the bidders along with their bids(Technical) without which the bidders will not be entitled for the exemption.” (Amendment)

7.0 <u>PERFORMANCE SECURITY</u>:

(**NOTE**: This clause is applicable only in case of tenders wherever specifically mentioned.)

7.1 The successful bidder shall furnish to Company the Performance Security in the prescribed format enclosed (Annexure V) herewith within 30 days of receipt of the formal purchase order by the successful bidder failing which OIL reserves the right to cancel the order and forfeit the Bid Security. Bidders should undertake in their bids to submit Performance Security as stated above.

7.2 The amount of Performance Security and the date of expiry of the Performance Security shall be as indicated in the Purchase Order. The amount of Performance Security in case of Procurement of Goods shall be 10% of order value (unless specified otherwise).

7.3 The Performance Security shall be denominated in Rupees and shall be in any one of the following forms:

(a) A Bank Guarantee in the prescribed format issued from any scheduled Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank only will be accepted. Bank Guarantees issued by Banks in India should be on non-judicial stamp paper/Franking receipt of requisite value, as per Indian Stamp Act, purchased in the name of the Banker or the Seller. Bank Guarantee with any condition other than those mentioned in OIL’s prescribed format shall not be accepted and bids submitted by bidders with such Bank Guarantee will be liable for rejection.

(b) A Cashier's cheque or Demand Draft with validity of minimum 90 days or as per RBI’s guidelines, drawn on “Oil India Limited” and payable at Guwahati, Assam.

(Note: In case of submission of Demand Draft/Cashier Cheque towards Performance Security by seller, OIL shall encash the Demand Draft/Cashier Cheque. However, the return of Performance Security will be governed by the terms and conditions of the Bid Document / Purchase order.)

7.4 The Performance Security specified above must be valid for 3(three) months beyond the Warranty period indicated in the Purchase Order /contract agreement. The Performance Security will be discharged by Company not later than 30 days following its expiry after completion of obligations under the order/contract. In the event of any extension of the Warranty period of the Purchase Order/Contract, Bank Guarantee should be extended by the Seller/Contractor by the equivalent period.

7.5 The Performance Security shall be payable to Company as compensation for any loss resulting from Supplier's/Contractor's failure to fulfil its obligations under the order/Contract.

7.6 The Performance Security will not accrue any interest during its period of validity or extended validity. OIL shall not be liable to pay any bank charges, commission or interest on the amount of Performance Security.

7.7 The Bank Guarantee issued by a Bank amongst others shall contain the complete address of the Bank including Phone Nos., Fax Nos., E-mail address and Branch Code.

7.8 Failure of the successful Bidder to comply with the requirements of clause 7.0 shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security or Performance Security. In such an eventuality, the party shall be debarred for a period of 2(two) years from the date of default.

7.9 In the event of Seller's/Bidder's failure to discharge their obligations under the order/Contract, the Performance Security shall be encashed and the proceeds thereof shall be forfeited without any further reference to the Seller/Bidder.

7.10 In case, the Performance Security in the form of a Bank Guarantee is found to be not genuine or issued by a fake banker or issued under the fake signatures, the LOI/Purchase Order issued/placed on the bidder shall be treated as cancelled forthwith and the bidder shall be debarred from participating in future tenders. Further, the Bid Security submitted by such bidder shall be invoked without any further reference.

7.11 The Performance Security for capital nature items like plant and machinery etc. shall be valid for 12 months from the date of commissioning plus 3(three) months or 18 months from the date of shipment/despatch plus 3(three) months whichever concludes earlier. However, for consumables like chemicals, cement, tubular etc. the Performance Security shall be valid for 12 months from the date of shipment/despatch plus 3(three) months.

7.12 The supplier/contractor will extend the validity of the Performance Security, if and whenever specifically advised by OIL, at the Bidder/Seller/contractor's cost.

7.13 If it is found that a bidder/Seller/Contractor has furnished fraudulent document/ information, the Performance Security shall be forfeited and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act, besides the legal action. In case of major and serious fraud, the period of debarment may be enhanced."

8.0 DOCUMENTS COMPRISING THE BID

8.1 The bid prepared by the bidder shall comprise the following components, duly completed:

a) Price schedule (Refer Annexure-II)
b) Bid must accompany necessary literature/catalogue of the equipment as well as of the spare parts catalogue thereof, wherever required.
c) Exceptions/Deviations Statement, if any
d) Authorization letter for attending Tender Opening (Refer Annexure III)
e) Bid Security, wherever required.
f) Confirmation about the Performance Security, wherever required

8.2 In case of Press Tenders, Bidders should enclose the proof of purchase of tender document.

9.0 SUBMISSION OF OFFER:

9.1 SEALING AND MARKING OF BIDS:

9.1.1 Offers should be sent in triplicate in double sealed envelope.

9.1.2 The original offer in bidders own original letterhead duly signed by authorized signatory and stamped should be marked as ORIGINAL and the two copies as DUPLICATE & TRIPLICATE.

All the three copies of offer should be put in a sealed envelope bearing the following details on the left hand top corner:

i) Oil India Ltd.'s Tender No.
ii) Bid closing date
iii) Brief Description of materials
iv) Bidder's Name, official address with Phone Nos. & Email address.

NOTE: Bidder's Name, Address, Phone Nos., and Email address as described above should be indicated on the inner envelope to enable OIL INDIA LTD to return the late bid to the bidder, if necessary.

9.1.3 The sealed inner envelope containing the offers should then be put in another envelope bearing the following address:

DEPUTY GENERAL MANAGER - MATERIALS (PL)
OIL INDIA LIMITED
PIPELINE HEADQUARTERS
P. O. UDAYAN VIHAR
NARENGI, GUWAHATI-781171
ASSAM (INDIA)

9.2 Special methods of marking & sealing where tender is called under “TWO BID SYSTEM” & “TWO STAGE BIDDING SYSTEM”:

9.2.1 In case of **TWO BID SYSTEM**, bidders shall prepare the technical and commercial bids in triplicate separately and shall put these in two separate envelopes marked as “Technocommercial “Unpriced Bid” and “Priced Bid”. Both the envelopes containing the “Unpriced Bid” and “Priced Bid” should be super scribed with Bid Closing Date., TENDER no, bidder`s name and brief description of materials, and sealed and then put inside another envelope super scribing the TENDER no., Bid Closing Date, bidder`s name and brief description of materials. The “Unpriced Bid” shall contain all techno-commercial details except the prices which shall be kept blank. The “Priced Bid” must contain the price schedule and the bidder’s commercial terms and conditions. The bid bond in original should be submitted along with the technical bid.

9.2.2 Under **TWO STAGE BIDDING SYSTEM**, bidders are required to submit only the Technocommercial “Unpriced Bids” in the first stage. The “Priced Bids” will be submitted at a later date when called for by OIL.

9.3 Any offer not complying with the above submission procedure will be rejected.

9.4 Bidders, in their own interest, are advised to drop their offers personally in “LOCAL TENDER BOX” at OIL’s Office in GUWAHATI. Alternatively they may send the same through Registered Post/courier. Oil India Limited will not be responsible for any delay, wrong delivery or non-delivery of the offers. No offer will be accepted after the bid closing date and time.

9.5 **Bids must be submitted in original**. No offer should be sent by Telex / Cable / Fax / E-mail/telephone unless specifically asked for in writing. Bids not complying with above will be rejected.

10.0 <u>DEADLINE FOR SUBMISSION OF BIDS</u>:

10.1 Offers must be received at the office of the Chief Manager Materials, Oil India Limited at Pipeline Headquarters in Guwahati, Assam (India) by the Bid Closing Date & time mentioned in the Notice Inviting Tender (NIT).

10.2 Timely delivery of the offer at the above address is the responsibility of the bidder.

11.0 <u>MODIFICATIONS AND CLARIFICATIONS OF BIDS</u>:

11.1 Offers or modifications to offers received after the Bid Closing Date and time will not be considered. No unsolicited correspondence after submission of the offer will be taken cognizance of or responded to.

11.2 After the opening of the bid, OIL may at its discretion ask the bidder for clarification of its bids. The request for clarification and response shall be in writing and no change in the price or substance of the Bid shall be accepted. The reply of the bidder should be restricted to the clarifications sought.

12.0 EXTENSION OF BID SUBMISSION DATE:

Normally no request for extension of Bid Closing Date will be entertained. However, in case of any changes in the specifications, inadequate response or for any other reasons, OIL may at its discretion, extend the bid closing date and/or time.

13.0 RETURN OF LATE BIDS:

13.1 Bids received after Bid Closing Date & time will be treated as "Late Bids". In case of tenders where Bid Security has been called for, the late bids shall be returned to the bidders on request. In all other cases, the late bids will be destroyed by OIL.

14.0 OPENING OF TENDERS:

14.1 Bidder or their authorized representative (only one person per bidder) will be allowed to be present at the time of opening of the Bids. However, a letter (in the form as per Annexure III enclosed) must be produced to the Tender Opening Officer at the time of opening of tenders. Unless this letter is presented, the representative will not be allowed to attend the tender opening.

14.2 In case of any unscheduled holiday/Bandh on the bid opening date, the Bids will be opened on the next working day. Accordingly, Bid Closing Date /time will get extended up to the next working day.

15.0 COMPLIANCE WITH TENDER:

15.1 Bidder's offer must conform in all respects with the applicable specifications, drawings and terms and conditions of the tender. Any deviation from the tender specifications or terms and conditions must be clearly and explicitly stated. In order to be considered responsive, bidder's offer must specifically include the following statement:

We certify that our offer complies with all NIT requirements and Specifications except for the following:

List exception
If none, state "None"

15.2 OIL reserves the right to accept / reject any deviation in bidder's offer pertaining to the materials specifications or to the terms and conditions stipulated in this tender without assigning any reason other than Bid Rejection Criteria specified in the Bid document.

16.0 <u>PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS</u>:

16.1 OIL reserves the right to accept / reject or prefer any offer either in full or in part or annul the bidding process and reject all bids at any time prior to award of contract without thereby incurring any liability to the affected bidder (s) or any obligation to inform the affected bidder(s) of the ground for OIL`s action. OIL also reserves the right to split the order between two or more parties.

17.0 <u>INSPECTION AND TEST</u>:

17.1 All materials to be supplied shall be subject to inspection and test by OIL at its discretion at any stage of manufacture and before despatch by mutual arrangement. Inspection and tests shall be carried out either by OIL's personnel or through a third party nominated by OIL. Seller has to arrange for the inspection through the nominated third party (whenever applicable) and obtain the necessary inspection certificates.

17.2 OIL reserves the right to inspect the material through any of the Third Party Inspection Agencies. While appointing the Third party Inspection Agency (from OIL's approved agencies), the bidder shall pass instruction to the appointed Third Party Inspection Agency to comply and respond to the advice/queries made by OIL directly with the inspection agency in connection with the inspection.

17.3 Bidder must extend the required facility for inspection by Third Party Inspection Agency. The bidder will be responsible for arranging the third party inspection and must submit the inspection certificate in Original to OIL along with the despatch documents. The certificate issued by the Third Party Inspection Agency must specify that the inspection has been carried out for the material to be supplied to OIL INDIA LIMITED and inspection has been carried out as per the scope of inspection stipulated in OIL's Purchase Order. The certificate should also specify OIL's Purchase Order Number.

18.0 <u>PACKING</u>:

18.1 Packing of goods must be sufficiently robust to withstand multiple handling during transit for delivery to their final destination so that contents do not get damaged. Protection of the plant and equipment against corrosion or deterioration must be given special attention.

18.2 Machined steel and iron parts are to be heavily greased / varnished as prevention against rust.

18.3 In the case of internal combustion engines, compressors and similar equipment, internal parts are to be sprayed with an inhibitor or water splitting preservative and all openings covered with tape to prevent ingress of water.

18.4 Boxes / Packing cases containing electrical / electronic equipment are to be waterproof lined.

18.5 All items must have their respective identification marks painted / embossed on them.

18.6 Crates or boxes should have a list of items contained therein secured to the exterior by means of an enveloping piece of tin sheet nailed to the wood. A duplicate list should also be included inside the crate with the contents.

18.7 The Seller shall be responsible for damage of goods either in full or in part and for corrosion and/or deterioration of the plant and equipment during transit due to inadequate/insufficient packing or due to non-compliance with the above Para Nos. 18.1 to 18.4 depending upon the nature of items and as such shall be obligated to repair or replace the damaged goods or plant or equipment in full or in parts thereof, at free of cost to OIL within a reasonable period of time.

18.8 **WEIGHT AND SIZE LIMITATION OF PACKAGES**:

Normal limiting dimensions and weights are as under:

Category	Length	Width	Height	Capacity
Truck	5.185 Mtrs.	1.98 Mtrs.	1.98 Mtrs.	9 MT
Normal Trailer	10.98 Mtrs.	2.44 Mtrs.	2.44 Mtrs.	18 MT
Semi Low Bed Trailer	10.98 Mtrs.	3.05 Mtrs	3.05 Mtrs.	20 MT
Low Bed Trailer	6.71 Mtrs	3.05 Mtrs	3.81 Mtrs	18 MT

This dimensional restriction must not be violated without prior approval from OIL. The finished packing should be in the form of a Box under the limited dimensions.

18.9 Packing materials should be environmental friendly as far as practicable.

19.0 DESPATCH:

19.1 Road Despatch:

19.1.1 In the event of an order other than FOR Destination terms, the material will be required to dispatch through OIL's approved transporter (which will be specified in the order) on "Door Delivery" basis.

19.1.2 For orders placed on FOR Destination basis, the material will be required to dispatch through reputed Bank approved transporters only on Door Delivery basis.

In case OIL is required to collect the material from transporters godown, extra expenditure incurred thereof will be recovered from the Bidder/seller.

19.1.3 *Bidders to note that OIL is presently having a road transportation contract for transportation of its goods from various places in India to OIL's various Locations in Assam, West Bengal and Bihar. Under the terms of the Contract, the transporter is required to lift the materials against any orders from the works of the suppliers if the gross weight of the consignment is more than 3 MT. However, if the gross weight of the consignment is less than 3 MT, it will be the responsibility of the supplier to deliver the goods to the office of the transporter located nearer to the supplier's works. Bidders also to note that for small and sundry consignment having total gross weight less than 3MT, the gross weight of each individual box should not exceed 300 KG for ease of handling. Bidders to take note of the above while quoting their prices. Bidders however, to quote their own prices towards transportation of the goods from the point of despatch to point of delivery as asked for in tender for the purpose of evaluation of their bids. Bidders may contact OIL to know about the name of the contractor as well as its offices in the place of the bidder(s). Presently, M/s Western Carriers have been engaged by OIL as its transporter for carrying its goods to OIL's various locations. OIL, however, reserves the right to transport the goods through its transporter. In the event OIL decides to transport the goods through its transporter, supplier must comply with the above instructions, wherever applicable and it will be obligatory on the part of the supplier to supply the goods complying to the norms specified. Any extra expenditure due to non-compliance of the above shall be to the account of the supplier.*

19.2 <u>Rail Despatch</u>:

In case of Rail dispatch, the Bidder will be fully responsible for arranging required railway wagons/rake. Tubular consignment will be dispatched on open type wagons only. Height of the wagons should not exceed 4.6 metres.

19.2.1 Successful suppliers will be given necessary permission to enter into the Industrial Area or Company's other operating areas to deliver the materials as per the timings given below:

a) Monday to Friday:

Morning : 08.00 AM to 10.00 AM
Afternoon : 12.30 PM to 02.00 PM

b) Saturday :

Morning: 08.00 AM to 10.00 AM

20.0 INSURANCE:

20.1 Transit insurance will be arranged and paid for by OIL for all orders other than FOR Destination orders. The Bidder/seller will be required to intimate the insurance agency (which will be specified in the Purchase Order) regarding the dispatch details immediately after dispatch. The Sellers have to arrange the transit insurance at their cost in case of orders placed on FOR Destination basis.

21.0 PAYMENT TERMS:

21.1 **Payment terms where installation /commissioning and Training are not involved:**

21.1.1 Payment will generally be made against completed supply. Where phased delivery is indicated in the order, payment will be made against each lot as per phasing.

21.1.2 In certain cases, payment to the extent of 90% maximum of the value of the supply will be made against proof of dispatch presented through Bank or to OIL directly. Balance 10% of the value will be released not later than 30 days of receipt of goods at OIL's site. Adjustments, if any, towards liquidated damage shall be made from the balance 10% payment. OIL may consider releasing 100% payment against dispatch documents for suppliers having good track record with OIL and where 10% Performance Security is submitted in time and no installation/commissioning is involved.

21.2 **Payment terms where installation /commissioning and Training are involved:**

Wherever installation / commissioning and Training are involved, 70% payment will be made against supply of materials and balance 30% after satisfactory commissioning at site along with the installation & commissioning charges after adjusting liquidated damages, if any. Payment towards training will be released after successful completion of training.

21.3 **Payment against Trial Orders:**

In the event of placement of trial orders, payment will be made only on acceptance of goods after successful field trial of the materials.

21.4 **PAYMENT TO THIRD PARTY**:

Request for payment/part payment to third party (i.e. other than the party on whom the order has been placed) will not be entertained by OIL under any circumstances. The offers stipulating payment/part payment to such third party will be considered as non-responsive and such offers will be rejected.

21.5 BANKING CHARGES:

All banking charges will be to the bidder's account.

21.6 ADVANCE PAYMENT:

21.7 Request for advance payment shall not be normally considered. Depending on merit and at the discretion of OIL, advance payment may be agreed at an interest rate of 1% above the prevailing Bank rate (CC rate) of State Bank of India compounding on quarterly basis from the date of payment of the advance till recovery /refund.

21.8 Advance payment if agreed to by the Company shall be paid only against submission of an acceptable Bank Guarantee whose value should be equivalent to the amount of advance plus the amount of interest estimated by OIL on the basis of contractual delivery period.

21.9 Bank Guarantee shall be valid for 3 months beyond the delivery period incorporated in the order and same shall be invoked in the event of Seller's failure to execute the order within the stipulated delivery period.

21.10 In the event of any extension to the delivery date, seller shall enhance the value of the bank guarantee to cover the interest for the extended period and also shall extend the validity of bank guarantee accordingly.

22.0 CONFIDENTIAL INFORMATION:

22.1 The Bidder / Seller shall treat as confidential all designs, drawings, data or information written or verbal, supplied by OIL and shall use its best endeavors to ensure that such design, drawings, data or information is not divulged to any third party except with the consent of OIL where necessary for the purpose of performance of its obligation hereunder and subject to similar undertakings being obtained from such third parties to treat such design, drawings, data or information in like confidence other than designs, drawings, data or information which at the time of proposed disclosure are within the public knowledge or in the Bidder’s/Seller's possession.

23.0 **PATENT AND OTHER RIGHTS:**

23.1 The Bidder/Seller shall fully indemnify OIL against any action, claim or demand, costs and expenses arising from or incurred by reason of any infringement or alleged infringement of any letter, patent, design, trademark or name, copy right or other legally protected rights in respect of any plant, work, materials to be supplied or any arrangement, system or method of using, fixing or working to be employed by the Bidder/Seller.

23.2 In the event of any claim or demand being made or action brought against OIL in respect of any of the aforesaid matters, OIL shall notify the Bidder/Seller thereof as soon as possible and Bidder/Seller shall conduct with the assistance of OIL if necessary, but at his own expense, all negotiation for the settlement of such matter and any legal proceeding, litigation/ arbitration involved or which may arise there from.

24.0 **<u>INDEMNITY AND INSURANCE</u>**:

24.1 The Bidder/Seller shall defend or hold OIL harmless from all actions, claims, suits and demands made, against either or both of them in respect of injuries to or death of any person including employees of the Bidder/Seller or non-compliance of any statutory/safety requirement.

24.2 The Bidder/Seller shall also defend and hold OIL harmless for loss of and damage to property arising from the supply of any goods or materials or the erection, installation repair or operation for a period, of any plant hereunder.

25.0 **<u>ASSIGNMENT</u>:**

25.1 The Bidder/Seller shall not transfer, assign or sublet the consequent Contract or any part thereof without the prior consent in writing from OIL. Any permitted transfer/assignment or subletting shall not relieve the Bidder/Seller of any of his obligations which might have arisen before such permission was given.

26.0 <u>WARRANTY / GUARANTEE</u>:

26.1 Goods, materials or plant(s) to be supplied hereunder shall be new, of recent make, of the best quality & workmanship and shall be guaranteed by the Seller for a period of 18 (eighteen) months from the date of dispatch or 12 (twelve) months from the date of commissioning/receipt (where commissioning is not involved) whichever is earlier against defects arising from faulty materials, workmanship or design. Defective goods / materials or parts notified by OIL to the Seller shall be replaced immediately by the Seller on F.O.R destination basis including payment of all taxes and duties at Seller's expense. This guarantee shall survive and hold good notwithstanding inspection, payment for and acceptance of the goods. However, for consumables like chemicals, cement, tubular etc. the guarantee shall be valid for 12 months from the date of dispatch.

27.0 <u>DEFAULT IN DELIVERY / LIQUIDATED DAMAGES</u>:

27.1 Time will be of the essence of the contract.

27.2 In the event of the Seller’s default in maintaining the agreed delivery schedule set out in the order, OIL shall have the right to cancel the order at any time after expiry of scheduled delivery date without any reference to the Seller and make alternative arrangement at the discretion of OIL in which case extra expenditure involved, will be recoverable from the Seller and OIL shall not be responsible towards such cancellation or any damage that may be incurred by the Seller. The decision of OIL shall be final and binding on the Seller.

27.3 As an alternative to Clause No. 27.2 above, OIL reserve the right to accept the materials but, the Seller shall be liable to pay liquidated damages @ 0.5% per week or part thereof of the value of the goods in respect of which default in delivery takes place subject to a maximum of 7.5 %. Should there be default on the part of the Seller for more than 15 Weeks from the scheduled date to complete the delivery or to complete the installation/commissioning & Training (wherever applicable) successfully, OIL shall have the right, in addition to the provisions under Clause 27.2 to invoke the Performance Security without causing any notice to the Seller to this effect. The amount of liquidated damage as stipulated above is a pre-estimated genuine loss as agreed by both the parties and shall be payable without any demur and shall not be open for any dispute whatsoever.

27.4 The liquidated damage as agreed by both the parties as a genuine pre-estimated loss shall be payable on Landed Cost of the materials at destination inclusive of all cost to the extent of default (undelivered portion only in cases where part delivery is acceptable) and commissioning at site is not involved.

28.0 FORCE MAJEURE:

28.1 In the event of either of the parties being rendered unable, wholly or in part by force majeure to carry out its obligations under the agreement when entered into, it is agreed that on such party giving notice and full particulars of such force majeure in writing or by telegram / telex / fax to other party as soon as possible (within maximum one week), after the occurrence of the cause relied on then the obligations of the party giving such notice with proper documentary evidence so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause as far as possible be remedied with all reasonable effort.

28.2 The term “Force Majeure" as used herein shall mean ‘Acts of God’ including Landslides, Lightning, Earthquake, Fires, Storms, Floods, declared Wars, Blockades, insurrection, riots, Government regulations etc., which are not within the control of the party claiming suspension of its obligations within the meaning of the above Clause 29.1 and which renders performance of the contract by the said party completely impossible.

29.0 **DEFAULT:**

29.1 In the event of an Contract with the Bidder, if the Bidder/Seller contravenes any of the provisions of the Contract or neglects to carry out his obligations of the Contract, OIL may give notice in writing thereof requiring the Bidder/Seller to remedy the breach within seven days, or within such period as OIL may agree to be reasonable and in the event of Bidder’s/Seller's failing to do so, OIL will be at liberty to purchase the goods elsewhere or have the work which the Bidder/Seller has neglected to do, carried out by some other person at the Bidder’s/Seller's expense. In such an event OIL shall have the right to terminate the Contract.

30.0 **TERMINATION:**

30.1 In the event of an Contract with the Bidder, OIL shall have the right to terminate the Contract giving 7 days notice or such reasonable time and in this event shall pay to the Bidder/Seller such sum as shall fully compensate the Bidder/Seller for work carried out by him in performance of the Contract prior to such termination.

31.0 APPLICABLE LAW:

The contract arising out of this tender shall be interpreted in accordance with and governed by the laws of India.

32.0 ARBITRATION:

32.1 All disputes and differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this Tender and consequent Contract or the breach thereof shall be mutually settled. However, in case no such mutual settlement is arrived at, the matter shall be settled by arbitration in accordance with the provision of arbitration of the Indian Arbitration & Conciliation Act, 1996 and any statutory modification or re-enactment thereof and the Rules made there under and for the time being in force. The venue of arbitration shall be at Guwahati unless otherwise agreed by OIL

32.2 In case of dispute with the Seller who happens to be a Public Sector Undertaking, the same shall be resolved as per Department of Public Enterprises (DPE) guidelines.

33.0 BID REJECTION CRITERIA:

The bids must conform to the specifications, terms, and conditions given in the NIT. Bids shall be rejected in case the items offered do not conform to the required minimum/maximum parameters stipulated in the technical specifications and to the respective international/national standards wherever stipulated. Notwithstanding the general conformity of the bids to the stipulated specifications and terms and conditions, the following requirements shall have to be particularly met by the bidders, without which the offer will be considered as non-responsive and rejected:

33.1 Bidders shall offer firm price through delivery and not subject to variation on any account. Bids with adjustable price shall be treated as non responsive and rejected.

33.2 Offers with inadequate validity will be rejected.

33.3 Bids received after Bid Closing Date and time shall be rejected. Also, modification of Bids received after Bid Closing Date/time shall not be considered.

33.4 Offers received from unsolicited parties shall not be considered and rejected.

33.5 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder or his authorized representative on all pages failing which the bid shall be rejected.

33.6 Offers received through Telex/Cable/Fax/E-mail/telephone shall be rejected unless specifically asked for in writing. Similarly offers received as xerox/ photocopy which is not on original letterhead of the Bidder & not duly signed & stamped will be rejected.

33.7 Bids shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person (s) signing the bid. Any bid not meeting this requirement shall be rejected.

33.8 Any offer containing incorrect statement will be rejected

33.9 Bids without original Bid Security as per Para 6.0 (wherever called for) and confirmation regarding submission of requisite Performance Security as per Para 7.0 (wherever called for) shall be rejected.

33.10 Bids not submitted in compliance with Special methods of marking & sealing under Two Bid /Two Stage Bidding system mentioned in Para 9.2 (whenever applicable) will be rejected.

33.11 Bids not submitted in compliance with Para 4.9.2 regarding submission of samples (whenever applicable) will be rejected.

33.12 Any mention of price details in the technical bid in case of single stage two bid system.

33.13 To ascertain the substantial responsiveness of the bid, clarification in respect of clauses covered under BRC can be asked from the bidder and such clarifications fulfilling the BRC clauses in toto must be received on or before the deadline given by the company, failing which the bid will be summarily rejected.

33.14 Offer shall be rejected straightaway without seeking clarification in case the party refuses to sign Integrity Pact. (Amendment)

33.15 Bidder must accept and comply with the following clauses as given in the Bid Document in toto failing which bid will be liable for rejection:

i. Guarantee of Material clause
i. Force Majeure Clause
iii. Arbitration Clause
iv. Acceptance of Jurisdiction and Applicable Law clause

v. Liquidated damage and penalty clause
vi. Integrity Pact clause
vii. Delivery Period clause (Amendment)

34.0 <u>BID EVALUATION CRITERIA</u>:

34.1 Bids which are found to be responsive and meeting the requirement both specification wise and terms and conditions in the TENDER will be considered for final evaluation.

34.2 Each item shall be normally evaluated independently unless otherwise stated.

34.3 In the event of computational error between unit price and total price, unit price shall prevail and adopted for evaluation.

34.4 Similarly, in the event of discrepancy between words and quoted figure, words will prevail.

34.5 Preference to Public Sector Undertaking and Small Scale Industries etc. will be given as per prevailing Government Guidelines as applicable on bid closing date.

34.6 At the time of evaluation of the offers, past performance of similar equipment supplied by the bidder as well as after-sales service, supply of spares, etc. in respect of such equipment by the concerned bidder will be considered / evaluated. If the same are not found to be satisfactory as already communicated to the bidder, the offer may be considered as unacceptable offer and rejected.

34.7 **Considering the nature of the item, if the product offered by the lowest acceptable bidder is not field proven in OIL, purchaser at its discretion may place a trial order to the extent of 25% (maximum) only and balance quantity will be procured from other competitive bidders whose product has been field proven in OIL**.

35.0 <u>COMPARISON OF OFFERS</u>:

35.1 Comparison of the bids will be done on total F.O.R. destination cost basis to ascertain the lowest bid. Railway freight in case of bulky consignments (forming rake loads) and road freight for others will be considered for arriving at the FOR destination cost.

35.2 In case of any conflict between the Rejection/Evaluation criteria stipulated here with that given in the Invitation for Bid, those mentioned in the Invitation for Bid will prevail.

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ANNEXURE – I

Amendment to General Terms and Conditions for National Tender(MM/TENDER/LP/01/06).

The following New Clause in General Terms and Conditions for National Tender (MM/TENDER /LP/01/06) has been added:

PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSES)

Govt. of India under Micro, Small and Medium Enterprises Development (MSMED) Act 2006, has proclaimed the Public Procurement Policy, 2012 with effect from 1st April, 2012 in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings for promotion and development of Micro and Small Enterprises.

1.0 The Public Procurement Policy shall apply to Micro and Small Enterprises registered with:

(i) District Industries Centers or
(ii) Khadi and Village Industries Commission or
(iii) Khadi and Village Industries Board or
(iv) Coir Board or
(v) National Small Industries Corporation or
(vi) Directorate of Handicrafts and Handloom or
(vii) Any other body specified by Ministry of Micro, Small and Medium Enterprises

2.0 **Classification of Micro, Small and Medium Enterprises (MSME) for supply of Goods:**

In the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, as:

a) A Micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees.
b) A Small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees.
c) A Medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees.

2.1 The MSEs owned by SC/ST entrepreneurs shall mean:

a) In case of Proprietary MSE, proprietor(s) shall be SC/ST.
b) In case of Partnership MSE, the SC/ST partners shall be holding at least 51% share in the unit.
c) In case of Private Limited Companies, at least 51% share is held by SC/ST. If the MSE is owned by SC/ST entrepreneurs, the bidder shall furnish appropriate documentary evidence in this regard.

3.0 **<u>Benefits to Micro and Small Enterprises</u>:**

i) <u>Exemption from payment of Tender Fee</u>:

MSEs (and not their dealers/distributors) registered with District Industry Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME are exempted from payment of tender fee irrespective of the monetary limit mentioned in their registration certificate provided they furnish documentary evidence that they are registered for the items they intend to quote against OIL tenders.

ii) <u>Exemption from submission of Earnest Money/Bid Security</u>:

MSEs (and not their dealers/distributors) registered with District Industry Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME are exempted from submission of Bid Security/Earnest Money provided they are registered for the items they intend to quote.

4.0 **<u>Documents Required to be submitted by MSEs</u> :**

Micro or Small Enterprises (MSE) registered with District Industry Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME shall submit copy of valid Registration Certificate for the items they intend to quote along with the bid. The Registration Certificate should clearly indicate the monetary limit, if any and the items for which bidder are registered with any of the aforesaid agencies. In case bidding MSE is owned by Schedule Caste or Schedule Tribe entrepreneur, valid documentary evidence issued by the agency who has registered the bidder as MSE owned by SC/ST entrepreneur should also be enclosed.

5.0 **<u>Performance Security</u>:**

Micro and Small Enterprises registered with District Industry Centres or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME however, should note that Performance Security shall be required to be submitted by them for orders/contracts placed by OIL on them.

6.0 **<u>Purchase Preference to Micro and Small Enterprises</u>**:

Purchase preference to Micro and Small Enterprises registered with District Industry Centres or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME:

In case participating MSEs quote price within price band of L1+15%, such MSE shall be allowed to supply bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply 100% of tendered value at the L1 price.

A target of 4% out of 100% has been earmarked for procurement from MSEs owned by the SC or ST entrepreneurs. Provided that, in event of failure of such MSEs to participate in tender process or meet tender requirement and L-1 price, 4% earmarked for MSEs owned by SC or ST entrepreneurs shall be met from other MSEs.

In case of more than one such MSE qualifying for 15% purchase preference, the 100% supply shall be shared equally amongst such MSEs. However, in the opinion of OIL if tendered items are non-splitable or non-dividable, OIL reserves the right to place order for supply of 100% quantity to lowest eligible MSE amongst the MSEs qualifying for 15% Purchase preference.

7.0 In case a supplier (other than Micro/Small Enterprise) against an order placed by OIL procures materials from their sub-vendor who is a Micro or Small Enterprise registered with District Industry Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME, with prior consent in writing from OIL, the complete details (i.e. name of the subcontractor, value of sub-contacted work, copy of valid MSE registration certificate etc.) of the sub-contractor(s) shall be furnished by the supplier to OIL.

ANNEXURE-II (DELETED)
REFER ANNEXURE VII

~~PRICE SCHEDULE~~

~~To~~
~~CHIEF MANAGER MATERIALS(PL), OIL INDIA LIMITED,~~
~~PIPELINE HEADQUARTERS, P.O. UDAYAN VIHAR,~~
~~GUWAHATI-781171, ASSAM~~

~~Tender No. ………………………………………………………………….~~

~~With reference to your above tender we quote our best prices as under:~~

~~Tender Item No.~~	~~Brief Description~~	~~Quantity (A)~~	~~Unit~~	~~Unit Price (In figure) (B)~~	~~Unit Price (in words)~~	~~Extended Price (C) (AxB=C)~~

~~- Total Ex-works price:~~
~~- Packing & Forwarding charges:~~
~~- Third Party Inspection charges if any:~~
~~- Excise Duty …………….:~~
~~- Sales Tax ………………:~~
~~- Other charges (Please specify):~~
~~- Total FOR Despatching Station:~~
~~- Name of Despatching station:~~
~~- Erection and Commissioning Charges if any:~~
~~- Firm freight upto destination by Road / Rail / air / Courier:~~
~~- Transit Insurance if any:~~
~~- FOR destination value:~~
~~- Delivery Period:~~
~~- Validity:~~
~~- Payment term:~~
~~- Bid Security if any:~~
~~- Whether performance security (if applicable) would be submitted in the event of order placement: Yes / No~~
~~- Name of original manufacturer:~~
~~- Other terms if any:~~
~~We agree to all the terms and conditions given in Annexure MM/TENDER/LP/01/06 of the Tender Document. We confirm that material will conform to OIL's specification.~~

~~SIGNATURE OF WITNESS~~ **~~SIGNATURE & SEAL OF BIDDER~~**
~~Full Name:~~ **~~Full Name:~~**
~~Address :~~ **~~Address :~~**

~~**Date :**~~ ~~**Date :**~~

ANNEXURE-III

To
CHIEF MANAGER MATERIALS(PL), OIL INDIA LIMITED,
PIPELINE HEADQUARTERS, P.O. UDAYAN VIHAR,
GUWAHATI-781171, ASSAM

Dear Sir,

Sub: Your Tender No..

For ....

Mr. /Mrs. .... has been authorized to be present at the time of opening of the above TENDER due on ....at Guwahati on my/our behalf.

Yours faithfully,

ANNEXURE-IV (Revised)

PERFORMA OF BID SECURITY

Ref. No.: Bank Guarantee No.:
Dated

To
CHIEF MANAGER MATERIALS, OIL INDIA LIMITED,
PIPELINE HEADQUARTERS, P.O. UDAYAN VIHAR,
GUWAHATI-781171, ASSAM

Whereas ………………. (herein after called 'the Bidder') has submitted their Bid No. dated. ....against OIL INDIA LIMITED, PIPELINE HEADQUARTERS, GUWAHATI, ASSAM, INDIA (hereinafter called the purchaser)'s tender No. ……….for the supply of (hereinafter called 'the Bid') KNOW ALL MEN by these presents that we ……………………………. Of having our registered office at………………………….. (hereinafter called 'the Bank') are bound unto the Purchaser, in the sum of ……………… for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents.

Sealed with the said Bank this ....day of...................................

THE CONDITIONS of this obligation are:

1. If the Bidder withdraws their Bid during the period of Bid validity specified by the Bidder, or

2. If the Bidder, having been notified of the acceptance of their bid by the Purchaser during the period of bid validity:

   a) fails or refuses to accept the order; or
   b) fails or refuses to furnish the performance security

3. If the Bidder furnished fraudulent document/information in their bid.

We undertake to pay to the Purchaser up to the above amount upon receipt of their first written demand (by way of letter /fax/cable) without the Purchaser having to substantiate their demand, provided that in their demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or all of the conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including_______ (Bidder *to indicate specific date as mentioned in the tender*), and any demand in respect thereof should reach the Bank not later than the above date.

The details of the issuing bank and controlling bank are as under:

A. Issuing Bank
   1. Full address of the bank:
   2. Email address of the bankers:
   3. Mobile nos. of the contact persons:

B. Controlling Office
   1. Address of the controlling office of the BG issuing banks:
   2. Name of the contact persons at the controlling office with their mobile nos. and email address:

Signature & Seal of the Bank with Address

ANNEXURE-V

PERFORMANCE SECURITY FORM

TO
CHIEF MANAGER MATERIALS(PL), OIL INDIA LIMITED,
PIPELINE HEADQUARTERS, P.O. UDAYAN VIHAR,
GUWAHATI-781171, ASSAM

WHEREAS ....(name of the Seller) hereinafter called 'the Seller' has undertaken, in pursuance of order No.......................... dated .... to supply ....(description of Goods and Services) hereinafter called 'the Contract'.

AND WHEREAS it has been stipulated by you in the said Contract that the Seller shall furnish you with a Bank Guarantee by a recognized Bank for the sum specified therein as security for compliance with the Seller's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Seller a Guarantee:

THEREFORE, we hereby affirm that we are Guarantors and responsible to you, on behalf of the Seller, upto a total of ....(amount of the Guarantee in words and figures) and we undertake to pay you, upon first written demand declaring the Seller to be in default under the contract and without cavil or argument sum or sums within the limits of ....
(amount of Guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This Guarantee is valid until the................... day of ....

A. Issuing Bank
   1. Full address of the bank:
   2. Email address of the bankers:
   3. Mobile nos. of the contact persons:

B. Controlling Office
   1. Address of the controlling office of the BG issuing banks:
   2. Name of the contact persons at the controlling office with their mobile nos. and email address:

Signature of the Bank

ANNEXURE - VI

CHECK LIST

THE CHECK LIST MUST BE DULY FILLED UP COMPLETELY AND TO BE SUBMITTED ALONG WITH YOUR OFFER. PLEASE ENSURE THAT ALL THESE POINTS ARE COVERED IN YOUR OFFER. THESE WILL ENSURE THAT YOUR OFFER IS PROPERLY EVALUATED. PLEASE CROSS THE BOX WHICHEVER IS APPLICABLE.

TECHNICAL

1.0 Whether necessary literature/catalogue of the equipment as well as spare parts thereof has been attached with the offer?

Yes ☐ No ☐

2.0 Whether the product quoted is IS / BIS approved and bears IS / BIS monogram ? (if applicable)

Yes ☐ No ☐ Not applicable ☐

3.0 Whether required sample asked in bidding document has been submitted along with the offer?

Yes ☐ No ☐ Not applicable ☐

4.0 If the sample has been asked for and the bidder is exempted from submission of sample, then whether exemption letter has been enclosed with the offer?

Yes ☐ No ☐ Not applicable ☐

5.0 Whether the materials being offered fully conform to the required technical specifications?

Yes ☐ No ☐

6.0 If not, whether you have separately highlighted the deviation?

Yes ☐ No ☐

COMMERCIAL

1.0 Whether requisite tender fee has been paid?

Yes ☐ No ☐ Not applicable ☐

2.0 If so, furnish the following:-

(i) Value

(ii) Mode of payment: Cheque/ Draft ☐ Cash ☐

2.1 Whether Original Bid Security has been forwarded (if called for)?

Yes ☐ No ☐ Not applicable ☐

2.2 If so furnish the following:-

(i) Name of the Bank :
(ii) Value :
(iii) Number :
(iv) Date of issue :
(v) Period of validity of the Bank Draft/Bank Guarantee/Letter of Credit. :
(The validity of Bank Draft should not be less than 180 days).

3.0 In case the Bidder is a supply house, whether authorisation from the manufacturer, authorising him to bid, has been enclosed with the offer?

Yes ☐ No ☐ Not applicable ☐

4.0 Have you offered firm price?

Yes ☐ No ☐

5.0 Have you specified currency of the quoted price?

Yes ☐ No ☐

6.0 Whether the period of validity of the offer is as required in bidding document?

Yes ☐ No ☐

7.0 Have you indicate firm delivery ?

Yes ☐ No ☐

8.0 Whether Original Bid Security has been forwarded in original (if called for)?

Yes ☐ No ☐ Not applicable ☐

9.0 Whether confirmation regarding submission of performance Security has been furnished (if called for)?

Yes ☐ No ☐ Not applicable ☐

10.0 Whether confirmation regarding Guarantee/ warranty has been furnished?

Yes ☐ No ☐

11.0 Whether Gross Weight / Volume of consignment has been furnished?

Yes ☐ No ☐

12.0 Whether the cost of Third party Inspection charges included in the quoted prices? If not, whether these have been quoted separately. (if called for)

Yes ☐ No ☐ Not applicable ☐

13.0 Whether the cost of Installation/ erection / Commissioning at Site charges included in the quoted prices? If not, whether these have been quoted separately. (if called for)

Yes ☐ No ☐ Not applicable ☐

14.0. Whether the cost of training of OIL personnel included in the prices? If not, whether these have been quoted separately. (if called for)

Yes ☐ No ☐ Not applicable ☐

15.0 Has the statement incorporating the exceptions/deviations as per the proforma at Annexure – III, been prepared and enclosed with the offer?

Yes ☐ No ☐

16.0 Has the bidder's past supplies proforma (Annexure – V) been carefully filled and enclosed with the offer?

Yes ☐ No ☐

17.0. In case Antidumping Duty is applicable, whether confirmation to bear the Antidumping duty by the Bidder has been made in the Bid.

Yes ☐ No ☐ Not applicable ☐

18.0. If the Bidder is seeking business with OIL for the first time, has he given the details of the parties to whom the offered items/services have been provided in past alongwith their performance report?

Yes ☐ No ☐

19.0 Whether required sample asked in bidding document has been submitted alongwith the offer?

Yes ☐ No ☐ Not applicable ☐

20.0. Confirm that all documents required in unpriced techno-commercial bid without prices are placed in unpriced folder.

Yes ☐ No ☐

21.0. Whether firm Ex-works and FOR destination prices have been quoted by Indian bidders?

Yes ☐ No ☐

22.0 Whether a copy of latest income tax clearance certificate has been enclosed?

Yes ☐ No ☐ Not applicable ☐

23.0 Whether details of your registration under Sale Tax/Central Sales Tax have been indicated in the offer?

Yes ☐ No ☐

Offer Ref .. .. Dated . ...

OIL's Tender No. .. .. Signed … ....

For & on behalf of ... . Designation . ...

Annexure – VII

A. ADDENDUM TO GENERAL TERMS & CONDITIONS (MM/TENDER/LP/01/06) FOR NATIONAL TENDERS INCORPORATING GST CLAUSE:

Pursuant to implementation of Goods & Service Tax (GST) with effect from 01.07.2017, all Indirect Taxes – Central Excise Duties, Value-Added Tax, Central Sales Tax, Service Tax, Education Cesses, Octroi/Entry Tax etc. ceases to exist and instead GST shall be applicable. In view of the same following clauses have been incorporated in the tender -

1.0 For the purposes of levy and imposition of GST, the expressions shall have the following meanings:

(a) GST - means any tax imposed on the supply of goods and/or services under GST Law.
(b) Cess – means any applicable cess, existing or future on the supply of Goods and Services as per Goods and Services Tax (Compensation to States) Act, 2017.
(c) GST Law - means IGST Act 2017, CGST Act 2017, UTGST Act, 2017 and SGST Act, 2017and all related ancillary Rules and Notifications issued in this regard from time to time.

2.0 The rates quoted by the bidders shall be inclusive of all taxes, duties and levies. However, bidders are required to provide separately the rate and amount of all types of taxes, duties and levies. In case, the quoted information related to various taxes, duties & levies subsequently proves wrong, incorrect or misleading, OIL will have no liability to reimburse the difference in the duty/ tax, if the finally assessed amount is on the higher side and OIL will have to right to recover the difference in case the rate of duty/ taxes finally assessed is on the lower side. Further, for the purpose of this contract, it is agreed between the parties that if Goods and Services Tax introduced during the tenure of this contract/agreement then the bidders have to clearly show the amount of GST separately in the Tax Invoices. Further, it is the responsibility of the bidders to make all possible efforts to make their accounting / IT system GST compliant in order to ensure availability of Input Tax Credit (ITC) to Oil India Ltd.

3.0 Offers without giving any of the details of the taxes (Including rates and amounts) as specified above will be considered as inclusive of all taxes including GST. When a bidder mentions taxes as extra without specifying the rates &amount, the offer will be loaded with maximum value towards taxes received against the tender for comparison purposes. If the bidder emerges as lowest bidder after such loading, in the event of order on that bidder, taxes mentioned by OIL on the Purchase Order/ Contracts will be binding on the bidder.

4.0 Bidders are required to pass on the benefit arising out of introduction of GST, including seamless flow of Input Tax Credit, reduction in Tax Rate on inputs as well as final goods by way of reduction of price as contemplated in the provision relating to Anti-Profiteering Measure vide Section 171 of the CGST Act, 2017. Accordingly, for supplies made under GST, the bidders should confirm that benefit of lower costs has been passed on to OIL by way of lower prices/taxes and also provide details of the same as applicable. OIL reserves the right to examine such details about costs of inputs/input services of the bidders to ensure that the intended benefits of GST have been passed on to OIL.

5.0 Oil India Ltd. shall declare the value of free issue of materials and services, if any, involved in the execution of the contract. The Contractor should consider the same while working out the GST liability, if any. Further in cases where GST is leviable on any facilities provided by OIL and used by bidders and the consideration for which is recovered by OIL in the form of reduction in the invoice raised by bidders then OIL will raise GST invoices on such transactions and the same will be reimbursed by bidders.

6.0 **<u>When Input tax credit is available for Set Off</u>**:
Evaluation of L-1 prices shall be done based on Quoted price after deduction of Input Tax Credit (ITC) of GST, if available to OIL. OIL shall evaluate the offers on the basis of the quoted rates only and any claim subsequently by the bidders for additional payment/liability shall not be admitted and has to be borne by the bidders.

<u>When Input tax credit is NOT available for Set Off</u>:
Evaluation of L-1 prices shall be done based on Quoted price only. OIL shall evaluate the offers on the basis of the quoted rates only and any claim subsequently by the bidders for additional payment/liability shall not be admitted and has to be borne by the bidders.

7.0 Bidders agree to do all things not limited to providing GST compliant Tax Invoices or other documentation as per GST law relating to the supply of goods and/or services covered in the instant contract like raising of and /or acceptance or rejection of credit notes / debit notes as the case may be, payment of taxes, timely filing of valid statutory Returns for the tax period on the Goods and Service Tax Network (GSTN), submission of general information as and when called for by OIL in the customized format shared by OIL in order to enable OIL to update its database etc. that may be necessary to match the invoices on GSTN common portal and enable OIL to claim input tax credit in relation to any GST payable under this Contract or in respect of any supply under this Contract.

8.0 In case Input Tax Credit of GST is denied or demand is recovered from OIL by the Central / State Authorities on account of any non-compliance by bidders, including non-payment of GST charged and recovered, the Vendor/Supplier/Contractor shall indemnify OIL in respect of all claims of tax, penalty and/or interest, loss, damages, costs, expenses and liability that may arise due to such non-compliance. OIL, at its discretion, may also withhold/recover such disputed amount from the pending payments of the bidders.

9.0 GST liability, if any on account of supply of free samples against any tender shall be to bidder's account.

B. ADDENDUM TO GENERAL TERMS & CONDITIONS (MM/TENDER/LP/01/06) FOR NATIONAL TENDERS:

Pursuant to implementation of Goods & Service Tax (GST) with effect from 01.07.2017, the price bid format and clause no. 35.0 - Comparison of offers have been amended as under -

1.0 PRICE BID FORMAT:

(A) Basic material value (including TPI, if any) with HSN code (to indicate item wise):
(B) Pre-Despatch Inspection Charges, if any
(C) Packing and Forwarding Charges, if any:
(D) Total Ex-works value, (A+B+C) above:
(E) GST on (D) (Please indicate applicable rate):
(F) Compensatory Cess, if any (Please indicate applicable rate):
(G) Total FOR Despatching Station Value, (D+E+F) above:
(H) Freight charges upto Destination:
(I) GST on (H) (Please indicate applicable rate):
(J) Insurance Charges @0.5% of (G) inclusive of GST:
(K) Training Charges, if any
(L) GST on Training Charges
(M) Installation & Commissioning (I&C) Charges, if any
(N) GST on I&C
(O) AMC Charges, if any
(P) GST on AMC Charges
(Q) Any other charges, if any with GST
(R) Total Value (G+H+I+J+K+L+M+N+O+P+Q)
(S) Buy Back Price, if any with GST
(T) Total FOR Destination Value (R-S)
(U) Gross Weight:
(V) Gross Volume:
(W) Import Content, if any:
(X) Local Content details:

2.0 BID EVALUATION CRITERIA:

To ascertain the inter-se-ranking, comparison of the responsive bids shall be done on the basis of "TOTAL FOR DESTINATION VALUE (T)" quoted by the Bidders against each individual item as per Price Bid Format adopted in the Tender subject to corrections/ adjustments given herein.

Note:

1) Domestic Bidders must quote inland freight charges upto Destination. In case bidder fails to quote inland freight charges, highest freight quoted by domestic bidder (considering pro-rata distance) against this tender or OIL's estimated freight, whichever is higher, shall be loaded to their offer for comparison purpose.

2) For enquiries with duty exemption benefit – The items covered under this enquiry shall be used by OIL in the PEL/ML areas issued/renewed after 01/04/99 and hence, applicable customs duty for import of goods shall be zero. However, IGST @5% shall be applicable.

C. ADDENDUM TO GENERAL TERMS & CONDITIONS (MM/TENDER/LP/01/06) FOR NATIONAL TENDERS REGARDING PURCHASE PREFERENCE POLICY (LINKED WITH LOCAL CONTENT) (PP-LC):

This policy is applicable to this tender and may refer to Annexure – A, B & C in this regard in addition to the clauses mentioned here under:

a) Ministry of Petroleum & Natural Gas, Government of India implemented PP-LC Policy to provide Purchase Preference (linked with local content) by notification no. Ref.O-27011/44/2016-ONG-II/FP dtd.25.04.2017.

b) As per the PP-LC policy, 50% of the tendered quantity would be awarded to the lowest techno-commercially qualified LC (Local Content) manufacturer/supplier which are within the price band of 10% of the L1, subject to matching the L1 price. Bidders seeking Purchase preference (linked with Local Content) (PP-LC) shall be required to meet / exceed the target of Local Content (LC) as per values furnished vide MOPNG notification no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 as on the bid closing date. The remaining quantity will be awarded to L1 (i.e. Non Local Content (NLC) manufacturer / supplier not meeting prescribed LC criteria).

c) 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.

d) Price Break-up: The bidder shall provide break up of "Local component" and "Imported Component" along with their price bid.

e) Such bidders shall furnish following undertaking from the manufacturer on Manufacturer's letter head along with their techno-commercial bid. The undertaking shall become a part of the contract:

> "We ___________ (Name of Manufacturer) undertake that we meet the mandatory minimum Local Content (LC) requirement i.e. ________ (to be filled as notified at Enclosure I of the policy) for claiming purchase preference linked with Local Contents under the Govt. policy against under tender no. _____________."

f) Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor (as per the provisions of the aforesaid policy):

> "We _________ the statutory auditor of M/s ________ (name of the bidder) hereby certify that M/s__________ (name of manufacturer) meet the mandatory Local Content requirements of the Goods and/or Services i.e. _____ (to be filled as notified at Enclosure I of the policy) quoted vide offer No.______ dated ______ against OIL's tender No._____ by M/s ________ (Name of
> the bidder)."

g) Failure to submission of documents as mentioned in d), e) & f) above will be treated as "Calculation of LC is not verifiable, the value of LC of the said component shall be treated as NIL" and hence will not be eligible for PP-LC.

h) At the time of bidding, the bidder has to confirm in their bid for submission/complying the following in the event of order:

(i) In case of procurement of goods under PP-LC, the LC content may be calculated by the supplier and the verification of the procurement of goods, service shall be carried out by a Statutory Auditor engaged by the bidder.

(ii) The supplier shall provide the necessary local content documentation to the statutory auditor, which shall review and determine the local content requirements have been met, issue a local content certificate to that effect on behalf of procuring company, stating the percentage of local content in the good or service measured.

(iii) The local content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % of local content for the total 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.

(iv) 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. View this, the supplier shall confirm in their bid for submission of PBG(PBG-PPLC) of 10% of the contract value which shall be valid throughout the execution of the contract (format as provided vide the notification). This PB G-PPLC is in addition to the PBG, which is required to be submitted by the successful bidder as per OIL's General Terms & Condition. Bidders to provide an undertaking complying to the submission of additional PBG along with their bid, in case of availing PPLC benefit.

(v) Bidders should note that PP-LC shall not be available in case of procurement of goods /services falling under the list of items reserved for exclusive purchase from Micro and Small Enterprise (MSEs) or Domestically Manufactured Electronic Products (DMEP).

ANNEXURE-A

Provisions for procurement of Goods pertaining to Oil & Gas business activities covered under Purchase Preference Policy (linked with Local Content) (PP-LC)

Purchase preference policy (linked with Local Content) (PP-LC) notified vide letter no. O-7011/44/2015-ONG-II/FP dated 25.04.2017 of MoPNG.

1. 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.

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

   (To select and indicate the Local Contents (LC) from Enclosure-I of policy documents. The LC limits shall be linked with date of TBO (Technical Bid Opening) of tender. For a tender due to open between 01.04.18 and 31.03.20, LC limit mentioned for 2018-20 shall be applicable. Similarly, for a tender opening between 01.04.2020 to 31.03.2022, LC limits mentioned therein shall be applicable).

   2.1 Such bidders shall furnish following undertaking from the manufacturer on Manufacturer's letter head along with their techno-commercial bid. The undertaking shall become a part of the contract.

   "We ___________ (Name of Manufacturer) undertake that we meet the mandatory minimum Local Content (LC) requirement i.e. ________ (to be filled as notified at Enclosure I of the policy) for claiming purchase preference linked with Local Contents under the Govt. policy against under tender no. _____________."

   2.2 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 manufacturer) meet the mandatory Local Content requirements of the Goods and/or Services i.e. _____ (to be filled as notified at Enclosure I of the policy) quoted vide offer No.______ dated ______ against OIL's tender No._____ by M/s ________ (Name of the bidder).

   Note:

   a. 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.
   b. In case the manufacturer himself is bidding then the certificate shall be submitted by the Statutory Auditors of the manufacturer who shall provide the break-up of the cost component as per Enclosure – II of the policy documents.
   c. In case of bidder is a supplier quoting on behalf of manufacturer then the certificate shall be submitted by the Statutory Auditors of the supplier who shall provide the

break-up of the cost component of the manufacturer as per Enclosure – II of the policy documents. The responsibility for the certificate provided by the statutory auditor of the supplier shall be that of the supplier.

d. In case the tender scope covers testing, installation and commissioning and any other services in respect of the supplied goods/equipments then such costs shall also be considered in LC for which the bidder shall provide certificate from the Statutory Auditors or the Chartered Accountants as the case may be.

2.3 At the bidding stage the bidder shall provide Break-up of “Local Component” and “Imported Component” in the prescribed format enclosed as Enclosure-II of the policy document and submit / uploaded (in the e-procurement portal in case of e-tender) along with their price.

3. Eligible (techno-commercially qualified) LC bidder shall be granted a purchase preference of 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.

3.1 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 bidder shall be asked to submit their confirmation to match their price in sealed envelopes. Envelopes of the bidders shall be opened and award shall be made to the lowest evaluated TA/CA (Techno-Commercially 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.

4. Order for supply of 50% of the tendered quantity would be awarded to the lowest techno-commercially qualified LC bidder, subject to matching with valid NLC L1 price. The remaining quantity will be awarded to L1 (i.e. NLC bidder). Prescribed 50% tendered quantity for LC bidders shall not be further sub-divided among eligible LC bidders.

4.1 However, if L1 bidder happens to be a LC bidder, the entire procurement value shall be awarded to such bidder.

4.2 When the tendered goods/services cannot be divided in the exact ratio of 50%/50% then OIL reserves the right to award on lowest eligible PP-LC bidder for quantity not less than 50% as may be dividable.

<u>For example</u>
In case tendered quantity is 3 (not divisible in the ratio of 50:50), PP-LC bidder shall get order for 2 nos. only and the rest will go to L-1 (NLC bidder).

OR

(Alternate clause applicable for cases where tendered quantity cannot be divided).

5. In case, the tendered quantity is not splitable/non-dividable/cannot be procured from multiple sources, the entire procurement value shall be awarded to the lowest techno-commercially qualified LC bidder subject to matching with valid NLC L1 rates.

6. 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.

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

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

8. <u>Determination of LC</u>

   8.1 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.

   8.2 The criteria for determination of the Local Content cost shall be as follows:

   a) In the case of direct component (material), based on country of origin.
   b) In the case of manpower based on INR component and
   c) In the case of working equipment/facility, based on the country or origin.

   8.3 The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each of the goods with the acquisition price of each goods to the acquisition price of the combination of goods.

9. <u>Calculation of LC and Reporting</u>

   9.1 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.

   9.2 Formats for the calculation of LC of goods is given in this document.

10. <u>Certification and Verification</u>

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

   10.1.1 <u>At bidding stage</u>:

   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 2.3.
      (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. 2.1, 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.

c) Statutory Auditor's Certificate

The Undertaking submitted by the bidder shall be support by a certificate from Statutory Auditor as per clause 2.2.

10.1.2 After Contract Award

a) In the case of procurement cases with the value less than Rs. 5 crore (Rupees Five Crore), the LC content may be calculated (self-assessment) by the supplier of goods and/or the provider of services 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.

10.2 Each supplier shall provide the necessary Local Content documentation to the statutory auditor, which shall review and determine 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 good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

10.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % of local content for the total 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.

10.4 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.

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

11. Sanctions

11.1 OIL shall impose sanction on bidder/manufacturers/service providers for not fulfilling LC of goods/services in accordance with the value mentioned in certificate of LC.

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

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

11.4 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.

11.5 In pursuance of the clause No.11.4 above, towards fulfillment 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 at Enclosure AA) equivalent to the amount of PBG.

12. Bidders should note that PP – LC shall not be available in case of procurement of goods / services falling under the list of items reserved for exclusive purchase from Micro and Small Enterprise (MSEs) or Domestically Manufactured Electronic Products (DMEP).

ANNEXURE-B

Provisions for procurement of Services pertaining to Oil & Gas business activities covered under Purchase Preference Policy (linked with Local Content) (PP-LC)

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.

1. 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.

2. Bidders seeking Purchase preference (linked with local content) (PP-LC) shall be required to meet / exceed the target of Local Content (LC) of _____%

   (To select and indicate the Local Contents (LC) from Enclosure-I of policy documents. The LC limits shall be linked with date of TBO (Technical Bid Opening) of tender. For a tender due to open between 01.04.18 and 31.03.20, LC limit mentioned for 2018-20 shall be applicable. Similarly, for a tender opening between 01.04.2020 to 31.03.2022, LC limits mentioned therein shall be applicable).

2.1 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) undertake that we meet the mandatory minimum Local Content (LC) requirement i.e. ________ (to be filled as notified at Enclosure I of the policy) for claiming purchase preference linked with Local Contents under the Govt. policy against under tender no. _____________."

2.2 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 Services i.e. _____ (to be filled as notified at Enclosure I of the policy) 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.

2.3 At the bidding stage the bidder shall provide Break-up of "Local Component" and "Imported Component" in the prescribed format enclosed as Enclosure – III of the policy document of the policy and shall be uploaded by the bidders along with their price bid in the e-procurement portal.

3. 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.

3.1 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.

4. Order for supply of 50% of the tendered quantity would be awarded to the lowest techno-commercially qualified LC bidder, subject to matching with valid NLC L1 price. The remaining will be awarded to L1 (i.e. NLC bidder). Prescribed 50% tendered quantity for LC bidders shall not be further sub-divided among eligible LC bidders.

4.1 However, if L1 bidder happens to be a LC bidder, the entire procurement value shall be awarded to such bidder.

4.2 When the tendered goods/services cannot be divided in the exact ratio of 50% / 50% then OIL reserve the right to award on lowest eligible PP-LC bidder for quantity not less than 50%, as may be dividable.

For example
In case tendered quantity is 3 (not divisible in the ratio of 50:50), PP-LC bidder shall get order for 2 nos. only and the rest will go to L-1 (NLC bidder).

OR
(Alternate clause applicable for cases where tendered quantity cannot be divided).

5. The tendered quantity is not splitable/non-dividable/cannot be procured from multiple sources. Hence, the entire procurement value shall be awarded to the lowest techno-commercially qualified LC bidder subject to matching with valid NLC L1 rates.

6. 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.

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

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

9. Determination of LC

9.1 LC of Services shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of services.

9.2 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) c) General service cost, excluding profit, company overhead cost, taxes and duties.

9.3 The criteria for determination of cost of local content in the service shall be as under:

(a) In the case of material being used to help the provision of service, based on country of origin.
(b) In the case of manpower and consultant based on INR component of the services contract.
(c) In the case of working equipment/facility, based on country of origin and
(d) In the case of general service cost, based on the criteria as mentioned in clauses a, b and c above.
(e) Indian flag vessels in operation as on date.

9.4 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 contend.

10. Calculation of LC and Reporting

10.1 LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC verifiable, the value of LC of the said component shall be treated as nil.

10.2 Formats for the calculation of LC of services may be seen at Enclosure-III of the policy document.

11. Certification and Verification

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

11.1.2 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 2.3.
(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.2.1, 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.

(c) Statutory Auditor's Certificate
The Undertaking submitted by the bidder shall be supported by a certificate from Statutory Auditor as per clause 2.2.

11.1.3 After Contract Award

a) In the case of procurement cases with the value less than Rs. 5 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.

11.2 Each supplier shall provide the necessary local content documentation to the statutory auditor, which shall review and determine 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 good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

11.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % 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.

11.4 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.

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

12. <u>Sanctions</u>

12.1 OIL shall impose sanction on bidder not fulfilling LC of goods/services in accordance with the value mentioned in certificate of LC.

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

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

12.4 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.

12.4.1 In pursuance of the clause No.11.4 above, towards fulfillment 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 at Enclosure AA) equivalent to the amount of PBG.

ANNEXURE-C

Provisions for LSTK/EPC Contracts pertaining to Oil & Gas business activities covered under Purchase Preference Policy (linked with Local Content) (PP-LC).

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

1. Bidders seeking Purchase preference (linked with local content) (PP-LC) shall be required to meet / exceed the target of Local Content (LC) of _____%

   (**To select and indicate the Local Contents (LC) from Enclosure-I of policy documents. The LC limits shall be linked with date of TBO (Technical Bid Opening) of tender. For a tender due to open between 01.04.18 and 31.03.20, LC limit mentioned for 2018-20 shall be applicable. Similarly, for a tender opening between 01.04.2020 to 31.03.2022, LC limits mentioned therein shall be applicable**).

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

"We M/s ___________ (Name of bidder) hereby certify that we meet the mandatory minimum Local Content requirements 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."

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 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.

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

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.

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.

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 rates with valid NLC L1 rates then entire contract shall be awarded to valid NLC L1 bidder.

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.

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

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

7. <u>Determination of LC</u>

7.1 LC of EPC contracts shall be the ratio of the whole cost of domestic component in the combination of goods and service to the whole combined cost of goods and services.

7.2 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.

7.3 The spent cost as mentioned in paragraph 8.2 shall include production cost in the calculation of LC of goods as at clause 8.3.1 and service cost in the calculation of LC of services as mentioned in clause 8.3.2.

7.3.1 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.

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

7.3.3 The total cost of service shall be constituted of the cost spent for rendering 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.

7.3.4 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.

8. Calculation of LC and Reporting

8.1 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.

8.2 Formats for the calculation of LC of goods may be seen at Enclosure-IV of the policy document.

9. Certification and Verification

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

9.1.1 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 1.3.
   (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.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.

9.1.2 After Contract Award

a) In the case of procurement cases with the value less than Rs. 5 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.

9.2 Each supplier shall provide the necessary local content documentation to the statutory auditor, which shall review and determine 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 good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

9.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % 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.

9.4 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.

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

10. Sanctions

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

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

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

10.4 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.

10.5 In pursuance of the clause No.10.4 above, towards fulfillment 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 at Enclosure AA) equivalent to the amount of PBG.

Enclosure-AA

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 India 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).

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 relived 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.

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 ____________________

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

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

Attorney as per power of
Attorney No._____________
Dated __________________

ENCLOSURE - II

Formats for calculation of Local Content in Goods/Services/EPC Contracts:

A. GOODS: (As per Enclosure II of PP-LC Policy)

CALCULATION OF LOCAL CONTENT- GOODS

Name of Manufacturer	Calculation by manufacturer Cost per one unit of product			
Cost component	Cost (Domestic component) a	Cost (Imported component) b	Cost Total Rs./Foreign Currency (To be specified by the manufacturer) c = a+b	%Domestic Component d = a/c
I. Direct material cost				
II. Direct labour cost				
III. Factory overhead				
IV. Total production cost				

Note:

$$\% \text{ LC Goods} = \frac{\text{Total cost (IV.c)} - \text{Total imported component cost (IV.b)}}{\text{Total Cost (IV.c)}} \times 100$$

$$\% \text{ LC Goods} = \frac{\text{Total domestic component cost (IV.a)}}{\text{Total Cost (IV.c)}} \times 100$$

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 for Foreign Purchase / Global Tenders)*

B. SERVICE: (As per Enclosure III of PP-LC Policy)

CALCULATION OF LOCAL CONTENT- SERVICE

<table>
<tr><td colspan="8">NAME OF SUPPLIER OF GOODS/PROVIDER OF SERVICE</td></tr>
<tr><td colspan="3" rowspan="3"></td><td colspan="5">Cost Summary</td></tr>
<tr><td rowspan="2">Domestic</td><td rowspan="2">Imported Rs./Foreign Currency (To be specified by the service provider)</td><td rowspan="2">Total</td><td colspan="2">LC</td></tr>
<tr><td>%</td><td>Rs./Foreign Currency (To be specified by the service provider)</td></tr>
<tr><td colspan="3"></td><td>a</td><td>b</td><td>c = a+b</td><td>d = a/c</td><td>e = cxd</td></tr>
<tr><td rowspan="4">A</td><td>Cost component
I. Material used cost</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>II. Personnel & Consultant cost</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>III. Other services cost</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>IV. Total cost (I to IV)</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>B</td><td>Taxes and Duties</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>C</td><td>Total quoted price</td><td>Rs./Foreign Currency</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Note:

$$\% \text{ LC Service} = \frac{\text{Total cost (A.IV.c)} - \text{Total imported component cost (A.IV.b)}}{\text{Total Cost (A.IV.c)}} \times 100$$

$$\% \text{ LC Service} = \frac{\text{Total domestic component cost (A.IV.a)}}{\text{Total Cost (A.IV.c)}} \times 100$$

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)*

C. EPC (GOODS 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 = cxd
I	GOODS					
1	Material used cost					
2	Equipment cost					
3	Sub Total I					
II	SERVICES					
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)*

****