



TENDER NO. **SSG1166P17/01**

DATE: **19.05.2016**

INVITATION TO e-BID UNDER SINGLE STAGE TWO BID SYSTEM

Dear Sirs,

OIL invites Bids for the supply of **LINE PIPE WITH FITTINGS** through its e-Procurement site under **International Competitive Bidding - Single Stage TWO BID System**. The bidding documents and other terms and conditions are available at Booklet No. MM/GLOBAL/E-01/2005-July 2012. The prescribed Bid Forms for submission of bids are available in the tender document folder.

The general details of tender can be viewed by opening the RFx [Tender no.] under RFx and Auctions page. The details of items tendered can be found under Item tab and details can be found under Technical RFX.

The tender is invited with firm price for the specified quantity. Further details of tender are given in Technical Rfx -> External Area - > Tender Documents as **ANNEXURE 1A**.

THE TENDER WILL BE GOVERNED BY:

- a) "General Terms & Conditions" for e-Procurement as per Booklet No. MM/GLOBAL/E-01/2005-July2012for E-procurement (ICB Tenders). Special attention to the bidders is drawn to Section – E of the document.
- b) Technical specifications, Quantity and Notes for Line Pipe as per **ANNEXURE 1A**.
- c) The prescribed Bid Forms for submission of bids are available in the Technical Rfx -> External Area - > Tender Documents. Technical Checklist and Commercial Checklist vide **ANNEXURE IV** must be filled-up and submitted along with the technical bid.
- d) The items covered by this enquiry shall be used by Oil India Limited in the PEL/ML areas which are issued/renewed after 01/04/99 and hence Nil Customs Duty during import will be applicable. Indigenous bidder shall be eligible for Deemed Export Benefit against this purchase. Details of Deemed Export Benefit are furnished vide Addendum to MM/GLOBAL/E-01/2005-July2012 enclosed.

SPECIAL NOTE:

- 1.0 Please note that all tender forms and supporting documents are to be submitted through OIL's e-Procurement site only except following documents which are to be submitted manually in sealed envelope super scribed with Tender no. and Due date to **The Head Materials, Materials Department, Oil India Limited, Duliajan- 786602, Assam** on or before **13:00 Hrs (IST)** on the Bid Closing Date mentioned in the Tender.

- a) Original Bid Security.
- b) Detailed Catalogue.
- c) Any other document required to be submitted in original as per tender requirement.

All documents submitted in physical form should be signed on all pages by the authorised signatory of the bidder and to be submitted in triplicate.

- 2.0 Bidders are requested to examine all instructions, forms, terms and specifications in the bid. Failure to furnish all information required as per the NIT or submission of offers not substantially responsive to the bid in every respect will be at the bidders risk and may result in rejection of its offer without seeking any clarifications.
- 3.0 All the Bids must be Digitally Signed using "Class 3" digital certificate (e-commerce application) with organisation name as per Indian IT Act obtained from the licensed Certifying Authorities operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India. The bid signed using other than "Class 3" digital certificate without organization name, will be liable for rejection.
- 4.0 Bidders must ensure that their bid is uploaded in the system before the tender closing date and time. Also, they must ensure that above documents which are to be submitted in a sealed envelope are also submitted at the above mentioned address before 13:00 Hrs (IST) on the bid closing date failing which the offer shall be rejected.
- 5.0 **Two Bid System** shall be followed for this tender and only the price-bids of the bidders whose offers are commercially and technically acceptable shall be opened for further evaluation.
- 6.0 Please ensure that Technical Bid / all technical related documents related to the tender are uploaded in the Technical RFx Response-> User - > Technical Bid only. The "TECHNO-COMMERCIAL UNPRICED BID" shall contain all techno-commercial details except the prices. **Please note that no price details should be uploaded in Technical RFx Response.**
- 7.0 The "PRICE BID" must contain the price schedule and the bidder's commercial terms and conditions. **The prices of the items should be quoted in "Conditions Tab".**
- 8.0 **OIL reserves right to go for Reverse Auction process** or may finalize the tender without Reverse Auction, if required. However, the decision to conduct Reverse Auction or not will be conveyed to short-listed bidders prior to opening of price bid.
- 9.0 **The Integrity Pact is applicable against this tender.** OIL shall be entering into an Integrity Pact with the bidders as per format enclosed vide Annexure XII of the tender document. This Integrity Pact proforma has been duly signed digitally by OIL's competent signatory. The proforma has to be returned by the bidder (along with the technical bid) duly signed (digitally) by the same signatory who signed the bid, i.e., who is duly authorized to sign the bid. Uploading the Integrity Pact with digital signature will be construed that all pages of the Integrity Pact has been signed by the bidder's authorized signatory who sign the Bid.

Yours faithfully,
OIL INDIA LIMITED

Sd/-
(BHAVIK MODY)
PURCHASE OFFICER (FS-1)
FOR DGM-MATERIALS
FOR RESIDENT CHIEF EXECUTIVE

OIL INDIA LIMITED
(A Govt. of India Enterprise)
P.O. Duliajan-786602, Assam
Fax No. 91-374-2800533, E-mail:material@oilindia.in

Tender No. & Date : SSG1166P17/01 19.05.2016

Tender Fee : INR 60,000.00 OR USD 1,000.00
Bid Security Amount : INR 2,504,000.00 OR USD 36,450.00
(or equivalent Amount in any currency)

Bidding Type : Single Stage Two Bid System

Bid Closing On : 13.07.2016 at 11:00 hrs. (IST)
Bid Opening On : 13.07.2016 at 14:00 hrs. (IST)

Performance Guarantee : Applicable @10% of order value

OIL INDIA LIMITED invites Global tenders for items detailed below:

Item No./ Mat. Code	Material Description	Quantity	UOM
10 09019795	SEAMLESS STEEL LINE PIPE Line Pipe Bevel Ended 3 LPE Coated 114.3MM OD Seamless, Grade API 5LX-60 PSL-1/ PSL-2, W/T 11.1 mm as per API 5L latest edition having following specification: i) Pipe Outside Diameter: 114.3 mm ii) Thickness: 11.1 mm iii) Length: 10m-12m iv) Weight per meter of Bare Pipe: 28.25 Kg/m v) Mill Test Pressure: 352 Kg/cm2	50000	M
20 09046021	BENDS, NB BEVEL END, 100 MM Bend BE 3 LPE Coated Long Radius 90 Deg. Fabricated from Line Pipe 114.3MM OD, Grade API 5LX-60 PSL1/ PSL2, WT 11.1 mm as per API 5L latest edition having following specification: i) Pipe Outside Diameter: 114.3 mm ii) Thickness: 11.1 mm iii) Weight per meter of Bare Pipe: 28.25 Kg/m iv) Mill Test Pressure: 352 Kg/cm2 v) Bend Radius=6D where R is the radius of the Bend Curvature and D is the Diameter of pipe vi) Tangent Length of each end shall be min. of 300 mm	150	NO
30 09046023	Bend BE 3 LPE Coated Long Radius 60 Deg. Fabricated from Line Pipe 114.3MM OD, Grade API 5LX-60 PSL1/ PSL2, WT 11.1 mm as per API 5L latest edition having following specification: i) Pipe Outside Diameter: 114.3 mm ii) Thickness: 11.1 mm iii) Weight per meter of Bare Pipe: 28.25 Kg/m iv) Mill Test Pressure: 352 Kg/cm2 v) Bend Radius=6D where R is the radius of the Bend Curvature and D is the Diameter of pipe vi) Tangent Length of each end shall be min. of 300 mm	50	NO
40	Bend BE 3 LPE Coated Long Radius 45 Deg. Fabricated from Line Pipe	150	NO

Tender No. & Date : SSG1166P17/01**19.05.2016**

Item No./ Mat. Code	Material Description	Quantity	UOM
09046025	114.3MM OD, Grade API 5LX-60 PSL1/ PSL2, WT 11.1 mm as per API 5L latest edition having following specification: i) Pipe Outside Diameter: 114.3 mm ii) Thickness: 11.1 mm iii) Weight per meter of Bare Pipe: 28.25 Kg/m iv) Mill Test Pressure: 352 Kg/cm ² v) Bend Radius=6D where R is the radius of the Bend Curvature and D is the Diameter of pipe vi) Tangent Length of each end shall be min. of 300 mm		

Note description for item no./nos. : 10, 20, 30, 40

Pipes and Bends bearing Materials Codes (09019795, 09046021, 09046023 & 09046025) 100mm NB shall be procured from same source.

Standard Notes: ALL ITEMS ARE TO BE PROCURED FROM SAME SOURCE.**BIDDER TO QUOTE THEIR BEST DELIVERY PERIOD.**

1) The tender is invited under SINGLE STAGE-TWO BID SYSTEM. The bidder has to submit both the "TECHNO-COMMERCIAL UNPRICED BID" and "PRICED BID" bid through electronic form in the OIL's e-Tender portal within the Bid Closing Date and Time stipulated in the e-Tender. The "TECHNO-COMMERCIAL UNPRICED BID" is to be submitted as per Scope of Work & Technical Specification of the tender and "PRICED BID" as per the Online Price Bid format.

2) In Technical Bid opening, only Technical Rfx will be opened. Therefore, the bidder should ensure that "TECHNO-COMMERCIAL UNPRICED BID" should contain details as mentioned in the technical specifications as well as BEC/ BRC and upload the same in the Technical RFX Response-> User - > Technical Bid. No price should be given in above Technical Rfx otherwise the offer will be rejected. Please go through the help document in details before uploading the document and ensure uploading of technical bid in the Technical RFX Response-> User - > Technical Bid only. The "PRICE BID" must contain the price schedule and the bidder's commercial terms and conditions. The prices of the items should be quoted in "Conditions Tab".

3) Bid should be valid for **120 days** from bid closing date, failing which offer shall be rejected.

4) The original bid security (Amount is mentioned above and also in Rfx Parameters of the tender in OIL's e-portal) should reach us before bid closing date and time of the technical bid. Bid without original Bid Security will be rejected. The bidders who are exempted from submitting the Bid Bond should attach documentary evidence in the Technical RFX Response-> User - > Technical Bid as per clause 9.8 of Section A General Terms and conditions for Global Tender (MM/GLOBAL/E-01/2005-July 2012). The bid security shall be valid up to **13.02.2017**. Please submit bid bond as per revised format.

5) Performance Security @10% is applicable against this tender. Please refer clause 10.0 of Section A of General Terms and conditions for Global Tender (MM/GLOBAL/E-01/2005 - July 2012).

6) PRICED BIDS OF ONLY THOSE BIDDERS WILL BE OPENED WHOSE OFFERS ARE FOUND TO BE TECHNO-COMMERCIALLY ACCEPTABLE. THE TECHNICALLY ACCEPTABLE BIDDERS WILL BE INFORMED BEFORE OPENING OF THE "PRICED BID".

7) Bidders to note that 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. A new Clause on applicability of Public Procurement Policy for procurement of goods from Micro and Small Enterprises(MSE) in the tender is furnished vide Amendment to General Terms and Conditions for Global Tender (MM/GLOBAL/E-01/2005-JULY2012). Bidders are requested to take note of the same and to submit their offers accordingly.

8) To ascertain the substantial responsiveness of the bid OIL reserves the right to ask the bidder for clarification in respect of clauses covered under BRC also and such clarifications fulfilling the BRC clauses in toto must be received on or before the deadline given by the company, failing which the offer will be summarily rejected.

9) General terms and conditions of Global tender (document MM/GLOBAL/E-01/2005-July2012) is enclosed. Special attentions to Bidders are drawn to the Section E of above document.

10) The Integrity Pact is applicable against this tender. Therefore, please attach the Integrity Pact document duly signed along with your quotation as per BRC. The name of the OIL's Independent External Monitor at present is as under:

1. SHRI RAJIV MATHUR, IPS (Retd.),

Their email ids are furnished in OIL's website, www.oil-india.com

11) OIL reserves right to go for Reverse Auction process or may finalize the tender without Reverse Auction, if required. However, the decision to conduct Reverse Auction or not will be conveyed to short-listed bidders prior to opening of price bid.

Special Terms & Conditions and salient features for Reverse Auction are furnished in Addendum - B. The Business Rules for Reverse Auction and Process Compliance Form are given in Addendum - B. Bidders are required to sign the Business Rules for Reverse Auction and Process Compliance Form and attach this document along with the technical bid.

BID REJECTION / BID EVALUATION CRITERIA:

A) In addition to BRC criteria vide SECTION - 'D' of General Terms and Conditions for Global Tender (MM/GLOBAL/E-01/2005-July2012), the following clause will be applicable against this tender.

1.0 Offers with techno commercial bid-containing prices shall be rejected outright.

1.1 Applicable for Reverse auction tenders:

1.1.1 Bidders not confirming to participate in Reverse Auction.

1.1.2 Offers of short listed bidders, who have confirmed acceptance to OIL tender conditions on reverse auction, but do not participate in Reverse Auction, irrespective of their prices quoted in SRM price bid. (In addition to rejection of bid, the bid security will also be invoked in such case.). If a bidder does not want to quote any price below the ceiling price during Reverse Auction, their "Logged In" during Reverse Auction itself shall be considered as Participation.

2.0 Technical Rfx Response is meant for Technical bid only. Therefore, no price should be given in Technical Rfx Response, otherwise the offer will be rejected.

B) The following points are deemed as "non-negotiable" and offer shall be rejected straightaway without seeking clarification in case of the following:

- i. Validity of bid shorter than validity indicated in the tender.
- ii. Original Bid Security not received within the stipulated date and time mentioned in the tender.
- iii. Bid security with (a) Validity shorter than the validity indicated in tender and/or (b) Bid security amount lesser than the amount indicated in the tender.
- iv. In case the party refuses to sign the Integrity Pact.

THE FOLLOWING TECHNICAL & FINANCIAL BEC/BRC ARE APPLICABLE AGAINST THIS TENDER. THEREFORE, PLEASE IGNORE THE BEC/BRC MENTIONED VIDE SECTION - E OF GENERAL TERMS AND CONDITIONS & AMENDMENTS TO GENERAL TERMS AND CONDITIONS FOR GLOBAL TENDERS (MM/GLOBAL/E-01/2005-July2012).

Financial Evaluation Criteria:

1. Annual Turnover : The bidder shall have an annual financial turnover of minimum **Rs. 7.51 Cr. (50 % of the estimated value)** during any of the preceding 03 (three) financial years reckoned from the original bid closing date.

2. "Net Worth" of the bidder should be positive for the preceding financial/accounting year.

3. Documentary evidence from the Audited Balance Sheet and Profit & Loss Account for the preceding 03 (three) financial/accounting years should be submitted along with the technical bid.

4. In case the Audited Balance Sheet and Profit & Loss Account submitted along with the bid are in currencies other than INR or US\$, the bidder shall have to convert the figures in equivalent INR or US\$ considering the prevailing conversion

rate on the date on which the Audited Balance Sheet and Profit & Loss Account is signed. A CA certificate is to be submitted by the bidder regarding converted figures in equivalent INR or US\$.

Technical Evaluation Criteria:

1.0 MANUFACTURING DETAILS :

1.1 Bidders must specify categorically in their offer if the following jobs in respect of the casing offered by them would be carried out by themselves.

- i) Manufacture of the Green pipe (Unprocessed Plain End Pipe)
- ii) Manufacture of the Mother/Processed pipe
- iii) Manufacture of Coupling Stock/blanks
- iv) Manufacture of Coupling
- v) Threading of item (ii) or (iii) and End finishing jobs.

In case any or all the above jobs would be carried out in their plant, they must forward valid API certificate(s) issued in their name for respective job(s) together with the offer.

1.2 In case some of the above jobs are not carried out in their plant but would be carried out in some other works, the bidders must submit API certificate(s) issued in the vendors' name for respective job(s). These certificates must be furnished along with the offer.

1.3 Bidders doing none of the above jobs would be treated as supply house/traders. As supply house /traders to bid, they however must fulfil the criteria laid down in General terms and conditions (refer para 1.2 of Section A as under) to be eligible for bidding.

Para 1.2 of Section A - However, the bids from sole selling agents / authorised distributors / authorised dealers / authorised supply houses can also be considered, provided such bids are accompanied with back-up authority letter (valid at the time of bidding) from the manufacturer authorising them to market their product. OIL INDIA LIMITED (OIL) reserves the right to reject offers without back up authority letter from manufacturer.

1.3.1 They (Supply Houses/Traders) must forward the following certificates along with the offer failing which the offer will be rejected.

- i) A certificate from the manufacturing mill guaranteeing supply of the tubulars to the bidder in the event of an order on the bidder.
- ii) Valid API certificates from the manufacturer of Threaded and coupled API Casing.

1.3.2 It may be noted that no change in manufacturing mill will be allowed after placement of order. Bidder must confirm the same in their bid.

1.4 Bidders must clearly indicate the country of origin.

1.5 Manufacturer's / Processor's / Threader's Experience: Manufacturer / Processor / Threader of the offered item(s) should satisfy the following clauses along with documentary evidence which should be enclosed along with the techno-commercial bid:

1.5.a Minimum 5 (five) years of experience of manufacturing / processing / threading and ultimately supplying similar material (same or higher grade and same or higher outer diameter) to companies which are in the business of exploration and production of hydrocarbons. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid. Copies of applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) for the last 5 (Five) years (i.e. continuous without having any break in between) shall be submitted along with techno-commercial bid.

1.5.b Should have manufactured / processed / threaded and ultimately supplied similar material (same or higher grade and same or higher outer diameter) at least 50% of tendered quantity of each item to companies which are in the business of exploration and production of hydrocarbons during the last 5 (five) Years. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid.

1.5.c Domestic manufacturer / processor who have satisfactorily executed development orders placed by OIL for similar material (same or higher grade and same or higher outer diameter) would be considered as established sources for supply. Documents for satisfying BRC clause 1.5.a & 1.5.b above are not required to be submitted. However, the domestic manufacturer / processor should indicate the details of OIL's Purchase Order(s) executed by them and submit respective documentary evidence in the form of copies of relevant Purchase Orders along with copies of any of the documents in respect of satisfactory execution of each of those Purchase Orders, such as - B/L, invoice or any other documentary evidence. Such domestic manufacturers / processors should have valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) for last 5 (five) years (i.e. continuous without having any break in between) and should be submitted along with the techno-commercial bid.

1.5.d Documentary evidence in respect of 1.5.a & 1.5.b above should be submitted in the form of copies of relevant Purchase Orders along with copies of any of the documents in respect of

satisfactory execution of each of those Purchase Orders, such as - B/L, invoice or any other documentary evidence that can substantiate the satisfactory execution of each of the purchase orders cited above along with the techno-commercial bid.

1.5.e In case bidder is a manufacturer then he should have valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) for last 5 (five) years (i.e. continuous without having any break in between) for manufacturing Threaded and Coupled API Casings/Tubings/Linepipes and documentary evidence thereof should be submitted along with the techno-commercial bid. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid.

1.5.f In case the bidder is sole selling agent / distributor / dealer / supply house of any API approved manufacturer, then bidder must furnish the following documents. Such bidder can offer the desired product only from API approved manufacturer having all the required authorization to manufacture Threaded and Coupled API Casings/Tubings/Linepipes. (Bids from Sole selling agents / distributors / dealers / supply houses for processor or Threader will not be accepted.):

i) Back-up authority cum Warranty letter in original on manufacturer's letter head, valid at the time of bidding which should remain valid during the entire execution period of the order, from the concerned manufacturer guaranteeing supply of the tubulars to the bidder in the event of an order on the bidder and also authorized them to market their products.

ii) Copies of valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) of manufacturer for the last 5 (five) years (i.e. continuous without having any break in between) from the date of opening of the techno-commercial bid.

iii) Bidder should submit a list of companies which are in the business of exploration and production of hydrocarbons to whom their Manufacturer has supplied similar material (same or higher grade and same or higher outer diameter) during the last 5 (five) years along with documentary evidence to satisfy above clause 1.5. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid.

iv) Documentary evidence in respect of (iii) above should be submitted in the form of copies of relevant Purchase Orders along with copies of any of the documents in respect of satisfactory execution of each of those Purchase Orders, such as - B/L, invoice or any other documentary evidence that can substantiate the satisfactory execution of each of the

purchase orders cited above along with the techno-commercial bid.

1.5.h In case the bidder is API approved Processors / Threaders who intend to purchase plain end pipes and coupling stock from other manufacturers and do heat treatment / threading - end finishing and testing should indicate the sources from where they intend to purchase plain end pipes and coupling stock and should also submit the following documents:

i).a. Copy of valid applicable API certificate (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) in favour of manufacturer of green pipes, coupling blank/ stock must be submitted with the bid.

i).b. Copy of valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) in favour of manufacturer of coupling for last 5 (five) years (i.e. continuous without having any break in between) from the date of opening of techno-commercial bid in case the processor/ threader should purchase the coupling from other mills.

ii) Copy of valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) in favour of processor / threader to do heat treatment / threading - end finishing and testing of casings for last 5 (five) years (i.e. continuous without having any break in between) from the date of opening of techno-commercial bid.

iii).a. Processors must purchase the green pipes, coupling stock/ blank from API approved mills only and should submit the list of those API approved mills together with their valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe).

iii).b. Threaders must purchase processed mother pipes & Coupling stock/ blank from API approved mills only and should submit the list of those API approved mills together with their valid applicable API certificates (API-5CT in case of Tubing & Casing and API-5L in case of Line pipe) for last 5 (five) years (i.e. continuous without having any break in between) along with the techno commercial bid. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid.

iv) Processors / Threaders should submit a list of companies which are in the business of exploration and production of hydrocarbons to whom they have supplied similar material (same or higher grade and same or higher outer diameter) during the last 5 (five) Years along with documentary evidence to satisfy above clause 1.5. For this purpose the period reckoned shall be the period prior to the date of opening of the techno-commercial bid.

v) Documentary evidence in respect of (iv) above should be submitted in the form of copies of relevant Purchase Orders along with copies of any of the documents in respect of satisfactory execution of each of those Purchase Orders, such as - B/L, invoice or any other documentary evidence that can substantiate the satisfactory execution of each of the purchase orders cited above along with the techno-commercial bid.

1.5.i. Documents in any language other than English should be got translated in English and the copy of the original version English translation should be got verified from any one of the following)

i) Official of Indian Embassy / High Commission / Consulate General situated in the country where language has been translated.

ii) Official of Embassy / High Commission / Consulate General of the country where language has been translated, in India.

Note:

1. Manufacturer/ manufacturing mentioned above mean Manufacturer/ manufacturing of Plain end Green Pipe, Coupling Stock through processing and threading to finished Threaded or Coupled Casing.

2. No change in API mill(s) other than those indicated in the techno-commercial bid will be allowed after placement of order.

GENERAL NOTES FOR LINE PIPE (SEAMLESS)

1.0 SPECIFICATION :

1.1 Line Pipe must be manufactured as per API specification 5L,

latest edition and must bear API monogram. A valid API specification 5L certificate from the manufacturer shall be submitted along with materials.

1.2 Pipe shall be brand new, un-used and prime quality and in double random length without any jointers.

1.3 Coating shall be done as per API specification 5L and adequately oiled to withstand sea voyage/road transit.

1.4 Pipe ends must be prepared as per relevant API specifications. Suitable end protectors as specified shall be used to protect the ends.

2.0 MILL INSPECTION/CERTIFICATION :

All Line Pipe shall be manufactured, tested and certified in accordance with API Specification 5L, latest edition.

3.0 PHYSICAL/MECHANICAL TEST :

The following tests shall be carried out on its heat of steel from which the pipes are manufactured, as per API specification 5L and test results thereof shall be submitted to OIL.

- i) Chemical Analysis,
- ii) Heat Analysis,
- iii) Product Analysis,
- iv) Recheck Analysis,
- v) Mill-Control check analysis,
- vi) Tensile tests,
- vii) Yield strength tests,
- viii) Mill-control tensile tests,
- ix) Flattening tests,
- x) Tensile elongation tests,
- xi) Weld ductility tests,
- xii) Dimension and weight tests including drift and straightness.

3.1 While conducting the above test if any of the pipe fails re-test shall be carried out as per API specification 5L.

3.2 HYDROSTATIC TEST :

Each joint of Line Pipe shall be tested Hydrostatically to the recommended pressure at the mill in accordance with relevant API Specification.

3.3 NON-DESTRUCTIVE TEST :

Non-destructive test shall be carried out as specified in API specification 5L, latest edition.

4.0 IDENTIFICATION MARKING :

4.1 Marking is to be done on each joint as per API specification 5L covering manufacturer's mark/name, API monogram, size, weight, grade, manufacturing process, heat treatment, test pressure and length. Marking should be in metric unit.

4.2 Additionally OIL logo/mark and purchase order number shall be die stamped or paint stencilled on each joint.

5.0 THIRD PARTY INSPECTION :

5.1 Inspection by an independent third party viz. M/s.

Lloyds/RITES/IRS/Tuboscope/DNV.& Bureau Veritas will cover the following :

- i) Materials identification.
- ii) Stage inspection at random visit basis during manufacturing.
- iii) Audit and endorsement of all chemical analysis and physical test reports.
- iv) Witness dimensional checks.
- v) Witness mechanical test. (10% or 10 Nos. whichever is maximum)
- vi) Witness NDT.
- vii) Witness hydrostatic test.
- viii) Visual inspection for imperfection.
- ix) Longitudinal defect identification.

- x) Transverse defect identification.
- xi) Wall thickness measurement.
- xii) Joint inspection and grade confirmation.
- xiii) End area defect inspection.
- xiv) Inspection of end beveling.
- xv) Check and verify each joint.
- xvi) Issue of certificates

5.2 Third party inspection should be cover the following :

Manufacturer will carry out physical / chemical / mechanical / hydrostatic / NDT test etc. For raw materials and finished pipe as per relevant API specification (latest edition) for all the pipes i.e. 100%. Third party will check and verify manufacturer's test data records, reports etc. of raw materials and finished tubes in respect of all pipes i.e. 100%. Over and above checking and verification of records and reports, third party will carry out inspection for the followings on percentage basis given below in his presence :

a) Raw materials inspection for Chemical composition and Mechanical properties. 10% of numbers of heats and plates of raw materials will be tested at random the the third party. If the percentage of no. of heats/plates for manufacturer of a particular item is 5 (five) or less than all the raw materials will be tested for chemical composition and mechanical properties as per relevant codes.

b) Finished Tube Inspection :

i) Checking dimension, wall thickness, quality, end bevelling etc. 5% of the tube at random will be checked/tested by third party.

ii) Checking chemical compositions and mechanical properties 5%

of tube will be tested by the third party.

c) Witnessing NDT through ultrasonic testing/magnetic particle method/other methods.

i) Longitudinal defects - 5% of tubes at random will be tested by third party.

ii) Transverse defects - 1% of the tubes at random will be tested.

d) Hydraulic testing : 10% of the tube at random will be tested by the third party.

6.0 WARRANTY :

The supplier shall warrant their all tubulars to be supplied against the order shall be free from all defects and faults in materials, workmanship and manufacture shall be in full conformity with specified API standard. This clause shall be valid for 12 months from the date of despatch. The defective materials rejected by the purchaser shall be replaced by the seller at his own expense immediately.

7.0 ANTI-DUMPING :

Anti-dumping duty, if any, attracted will be on seller's account. Amount involved in respect of anti-dumping duty shall be remitted to OIL within 15 days of receipt of notice from OIL.

Safeguard Duty:

Government of India vide Notification No. 02/2014-Customs(SG) dated 13.08.2014 has imposed "Safeguard Duty" on imports of Seamless Pipes and Tubes falling under category as indicated in the above notification, at the conditions and rates indicated therein with effect from 13.08.2014. The Notification is also available on the official website of Central Board of Excise and Customs (CBEC).

In accordance with the provisions of the said notification nothing contained in the said notification shall apply to imports of Seamless Pipes and Tubes into India from countries notified as developing countries under clause (a) of sub-section (6) of section 8B of the Customs Tariff Act, other than the People's Republic of China. List of notified developing countries for the purpose of safeguard duty can be downloaded from the official website of Central Board of Excise and customs (CBEC) - URL <http://www.cbec.gov.in/customs/cs-act/notifications/notfnbefore2k/cs103-98.htm>.

The applicable rate of Safeguard Duty on Seamless Pipes & Tubes is as under:

- a) Twenty per cent ad valorem when imported during the period from 13th August, 2014 to 12th August, 2015 (both days inclusive).
- b) Ten per cent ad valorem when imported during the period from 13th August, 2015 to 12th August, 2016 (both days inclusive) and
- c) Five per cent ad valorem when imported during the period from 13th August, 2016 to 12th February, 2017.

The items covered under this tender will attract Safeguard Duty and accordingly, Safeguard Duty clause shall be applicable for this purchase. Bidders to take note of the following clauses relating to Safeguard Duty while preparing and submitting their bids.

- i) The evaluation methodology under BEC for this tender for bids from those foreign bidders on whom the Safeguard Duty is applicable as per the aforesaid Notification is amended and such bids shall be loaded with the applicable rate of Safeguard Duty on their assessable values and evaluated accordingly comparing them with Indigenous bidders or other foreign bidders on whom the Safeguard Duty are not applicable. The amended Evaluation methodology when only foreign bids are involved and when both foreign and indigenous bidders are involved, would be as under:

- a) When only Foreign bids are involved:

Comparison of offers will be done on CIF Kolkata Port basis after loading the bids of the parties with applicable rate of safeguard duty, wherever applicable.

b) When both Foreign and Domestic (Indigenous) bids are involved:

The ex-works price of domestic bidder (inclusive of customs duty on imported raw materials and component etc. and applicable terminal excise duty on the finished products and Sales Tax) excluding inland transportation to destination and CIF landed price of foreign bidders (with customs duty as applicable on the bid closing date) with loading of applicable rate of safeguard duty excluding inland transportation to destination, will be compared.

ii) In case an indigenous/Foreign supplier exempted from Safeguard Duty (i.e. from a developing country other than China) emerges L1 vis-à-vis a foreign bidder for whom Safeguard Duty is applicable due to loading of a particular rate of Safeguard Duty and if supplies from such indigenous/foreign suppliers are so effected that the lower slab of Safeguard Duty becomes applicable wherein price of foreign bidder (for whom Safeguard Duty is applicable) with lower rates of Safeguard Duty is found to be lower than the price of the indigenous/foreign supplier(who are exempted from Safeguard Duty), then OIL shall recover from such supplier, an amount equal to the difference in price between that of the foreign bidder (for whom Safeguard Duty is applicable) with lower applicable rate of Safeguard Duty and the price quoted by such indigenous/foreign supplier. This amount shall be recovered in addition to levy of applicable LD, if applicable.

iii) In case an indigenous supplier/Foreign bidder exempted from Safeguard Duty (i.e. from a developing country other than China) emerges L1 vis-à-vis a foreign bidder for whom Safeguard Duty is applicable due to loading of a particular rate of Safeguard Duty and if supplies from such indigenous/foreign suppliers are delayed beyond the Stipulated Delivery Period due to reasons attributable to the supplier and the material supplied is in the period of lower slab of Safeguard Duty wherein price of foreign bidder (for whom Safeguard Duty is applicable) with lower rates of Safeguard Duty is found to be lower, then OIL shall recover from such supplier, an amount equal to the difference in price between that of the foreign bidder (for whom Safeguard Duty is applicable) with lower applicable rate of Safeguard Duty and the price quoted by such supplier. This amount shall be recovered in addition to levy of applicable LD.

iv) The item(s) covered under this tender shall be used by Oil India Ltd. in the PEL/ML areas renewed/issued after 01.04.1999 and hence Nil Customs Duty shall be applicable for this import. Safeguard duty, if applicable to any bidder,

shall apply even if the goods are to be used in such PEL/ML areas.

v) Indigenous bidders should also note that OIL will not be liable to reimburse any amount on account of imposition of Safeguard Duty by Customs Official at the time of actual import of the items (Seamless Pipes and Tubes) imported by them for execution of the order/contract awarded to them by OIL under Deemed Export.

vi) Bidders shall mention the Country of Origin of the Seamless Pipes and Tubes quoted by them in their bids for the purpose of applicability of the Safeguard Duty. If any bidder does not mention the Country of Origin of the Seamless Pipes and Tubes quoted by them in their bids, OIL shall reserve the right to load the applicable Safeguard Duty against such bids for evaluation of their offer without any further reference / clarification. It shall be binding on the bidders to accept such loading of their bids.

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