

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

ANNEXURE-I

Tender No. : DFS6975L16/05
Tender Date : 20.04.2015

Item No./ Mat. Code	Material Description	Quantity	UOM
10 09015068	SEAMLESS STEEL LINE PIPE Steel line pipe, seamless extra strong, nom. size 25 mm (1"), OD - 33.4mm (1.315"), Wall thickness 4.55 mm (0.179"), plain end weight - 3.23 kg/m (2.17 lbs/ft), API Std. 5L, Grade - A, screwed & coupled, length of each joint in 6/7 metres. MillTest pressure (hydraulic) under screwed & coupled condition - 59 kg/cm.sq. (850 PSI)	2500	M

Note description for item no./nos. : 10

NOTE TO BIDDERS :

Third Party Inspection will be carried out on percentage basis by the third party inspection agencies i.e. IRS/Lloyds/RITES/Bureau Veritas/DNV for line pipes.

THIRD PARTY INSPECTION:

a) Raw Material Inspection for Chemical Composition & Mechanical Properties : 10% of number of heats of raw materials 10% of number of plates will be tested at random by the third party. The minimum number of test for raw materials either from heats or plates is 5(five). The raw materials will be tested for chemical composition and mechanical properties as per relevant codes.

b) Finished Tube Inspection :

i) Checking dimensions, wall thickness, end bevelling, threading/gauging, surface imperfections etc. - 5% of the tubes at random will be checked/tested by Thrd.Party.

ii) Checking chemical composition and mechanical properties - 5% of the tubes will be tested by the third party.

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

i) Longitudinal Defects : 5% of the 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 tubes at random will be tested by third party. The above test procedure is for offering to third party, whereas manufacturer will do 100% internal testing before offering to third party. The manufacturer will forward the various test certificates of their internal testing after checked/varified/certified by the third party.

Identification Mark :

a) 'OIL' need to be die stamped/paint stencilled on both sides of each length of pipe within a distance of 1(one) meter from the end.

b) Manufacturers name/trade mark is to be die stamped/paint stencilled on each length of pipe

c) Length of each pipe in metres and centimetres must be paint stencilled on the pipes.

d) OIL's Order No. is to be paint stencilled on each pipe.

e) API/BIS Monogram is to be die stamped/paint stencilled on each length of pipe (API or BIS to be typed as per requirement).

Mill test pressure : Each joint of pipe shall be tested hydrostatically to the recommended pressure at the mill in accordance with the relevant API specifications

Special Notes : 01. The items covered by this tender shall be used by OIL INDIA LIMITED in the PEL/ML areas which are issued /renewed after 01.04.99 and hence NIL custom duty during import will be applicable. Indigenous Bidder shall be eligible for Deemed Export benefit against this purchase.

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Details of Deemed Export are furnish vide addendum to MM/GLOBAL/01/2005-July2012 enclosed.

02. Bidders are required to quote with minimum validity of 120 days from the Bid Closing Date as per NIT requirement. BIDS with lesser validity shall be rejected.

03. Bidders have to indicate the minimum FOB/FCA charges in case of partial order for reduced quantity/items. In case this is not indicated specifically, the charges quoted would be prorated calculated and the same will be binding on the bidder.

04. Bidders are required to mention the weight of each item individually. **QUOTATION must be submitted in TRIPLICATE with original company catalogues as well as necessary certificates.**

05. Please mention clearly in your quotation the Net. Weight, Gross Weight & Volume, indian Agent's Name and its Commission, Payment Terms, Ocean Freight/Air Freight Charges, port of loading, Delivery period, Country of origine with manufacturer's name etc.

06. Safeguard duty is applicable against this tender. Please refer safeguard duty clauses mention below.

07. Bidder to quote their best delivery period.

GENERAL NOTES FOR LINE PIPES**1.0 SPECIFICATION :**

1.1 Line pipes must be manufactured as per API Spec. 5L, latest edition and must bear API monogram. A valid API Spec 5L certificate from the manufacturer shall be submitted along with the offer.

1.2 The pipes shall be brand new, unused, and of prime quality.

1.3 Coupling : Couplings shall be as specified in API Spec. 5L (not applicable for bevel end pipe).

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

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

1.6 The offer must contain detailed description of the materials. Insufficient description will lead to rejection of the offer.

2.0 MILL INSPECTION/CERTIFICATION :

All line pipes shall be manufactured, tested and certified in accordance with the relevant API Spec. 5L, latest edition.

3.0 PHYSICAL/CHEMICAL TESTS :

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

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- 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) Guided bend tests/tensile elongation tests
- xi) Weld ductility tests
- xii) Dimension and weight tests including drift and straightness.

(Note : ix, x and xi are required for ERW pipes only)

3.1 While conducting the above tests if any one of them fails, retest of the same shall be carried out as per API Spec. 5L.

3.2 Hydrostatic Test :

Each joint of pipe shall be tested hydrostatically to the recommended pressure at the mill in accordance with the relevant API specifications.

3.3 End threading, gauging and thread inspection : Threading, gauging and thread inspection shall be done as per API Spec. 5B (not applicable for bevel end pipes).

3.4 Non-Destructive Tests : Non-destructive tests shall be carried out as specified in API Spec 5L.

3.6 Bidders should give details of mills inspection and QC methods available. OIL may require such details in case of an order.

4.0 IDENTIFICATION MARKING :

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

4.2 Additionally, 'OIL' logo, and the 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 to cover the following shall be required against line pipes.

- (i) Material 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 tests (10% or 10 nos. whichever is maximum).
- (vi) Witness NDT.
- (vii) Witness hydrostatic tests.
- (viii) Visual inspection for imperfections.

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- (ix) Longitudinal defect identification.
- (x) Transverse defect identification.
- (xi) Wall thickness measurement.
- (xii) Joint inspection & Grade confirmation.
- (xiii) End area defect identification.
- (xiv) Inspection of end bevelling / threading (pipe & coupling).
- (xv) Check and verify length of each joint.
- (xvi) Issue of certificate.

Note : Proper Tally sheet (in Original) indicating length of each joint of line pipe with heat number of the joint should be furnished to OIL. The Tally sheet should be duly signed & stamped by the Manufacturing Mill and will be endorsed (certified) by the third party inspection agency. A soft copy of above Tally Sheet in MS Excel format to be submitted along with the despatch document. Bidder to confirm the same while quoting

5.2 Third Party Inspection should also cover the followings :

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

a) Raw Material Inspection for Chemical Composition & Mechanical Properties :

10% of number of heats and plates of raw materials will be tested at random by the third party. If the percentage of number of heats/plates for manufacture of a particular item is 5 (five) or less, then all the raw materials will be tested for chemical composition and mechanical properties as per relevant codes.

b) Finished Tube Inspection :

i) Checking dimensions, wall thickness, quality, end bevelling (for bevel ended pipes), threads of pipe ends & coupling (for screwed & coupled pipes), surface imperfections etc. - 5% of the tubes at random will be checked/tested by Third Party.

ii) Checking chemical composition and mechanical properties - 5% of the tubes will be tested by the third party.

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

i) Longitudinal Defects : 5% of the 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 tubes at random will be tested by third party.

5.3 The third party inspection is to be carried out by an internationally reputed inspection Agency. Bidders must indicate the availability of such a Third Party Inspection Agency in their area furnishing following information.

(i) Name of the Inspecting Agency (OIL's clearance has to be obtained prior to engagement except M/s. Lloyds, M/s Bureau Varitas, M/s DNV, M/s. Rites, M/s. I.R.S., M/s Tuboscope Vetco.).

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(ii) All inclusive charges for Third Party Inspection per metre (to be indicated separately).

5.4 Road/Rail transportation will be carried out as per API-RP-5L1 (latest edition).

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/notfnsbefore2k/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 Sales Tax) excluding inland transportation to destination and CIF landed price of foreign bidders 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

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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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Tender Date : 20.04.2015
Bid Closing On : 10.06.2015 at 13:00 hrs.(IST)
Bid Opening On : 10.06.2015 at 13:00 hrs.(IST)

Tender issued to following parties only:

S/no	V_Code	Vendor Name	City/Country
1	100140	TPS TECHNITUBE ROHRENWERKE GMBH	DAUN
2	100418	MTSUI & CO. LTD.	TOKYO
3	101196	SUMITOMO CORPORATION ASIA & OCEANIA	SINGAPORE
4	101514	TENARIS GLOBAL SERVICES S.A.	DUBAI
5	102198	ITECO OILFIELD SUPPLY ME FZE	UAE
6	102365	SHANDONG KERUI PETROLEUM EQUIPMENT	CHINA
7	102869	TROUVAY & CAUVIN GULF B.S.C.	DUBAI
8	102876	HENGYANG STEEL TUBE GROUP INTERNATI	HENGYANG CITY
9	102885	JIANG SU CHENGDE STEELTUBE SHARE CO	JIANGDU CITY
10	103163	UNIEXCEL GROUP HOLDING COMPANY LIMI	TAIPEI
11	200098	MAHARASHTRA SEAMLESS LIMITED	GURGAON
12	200119	THE INDIAN SEAMLESS METAL TUBES LTD	PUNE
13	201249	PARVEEN INDUSTRIES PVT. LTD.	NAVI MUMBAI
14	204835	JINDAL SAW LIMITED	NEW DELHI
15	204880	WELSPUN CORP LIMITED	NEW DELHI
16	205180	JINDAL PIPES LIMITED	HARYANA
17	207653	RATNAMANI METALS & TUBES LTD	AHMEDABAD
18	208769	JOTINDRA STEEL & TUBES LIMITED	HARYANA

ANNEXURE-I

Other than the vendors to whom the enquiry has been issued, interested vendors who wish to participate in the tender may apply with proper credentials and other relevant details so as to reach Head-Materials, Oil India Limited, P.O. Duliajan, Dist. Dibrugarh, Assam – 786602 (email : materials@oilindia.in, Fax : 0374-2800533) within 10 days of publication of the tender on OIL's website.

The vendors must fulfill the following conditions :

- I. The party should have three year's experience for the same item.
- II. The party should have received one order for at least 50% quantity in last three years for the item from any reputed firm.
- III. Annual turn over of the firm in any of the last three financial years or current financial year should be more than Rs.....

NOTE :

- I. Relevant documents in support of experience, last order and annual turnover must be submitted along with the application.
- II. Application without complete supporting document will not be considered.