

high, HPCL may invite such bidder for price negotiation. Lowest quoted bidder shall attend such negotiation meetings and if requested by HPCL, Bidder shall provide the analysis of rates/break-up of amount quoted by him for any or all items of Schedule of Rates/ Prices to demonstrate the reasonability. As a result of negotiation, bidder may offer rebate on his earlier quoted Price.

In tenders involving multiple schedules/parts, wherever order of precedence/sequence for price bid opening/reverse auction is defined in tender document, shall be applicable in case of Bidders who qualify for lesser number of parts than quoted number of parts.

- 36.2 In case Indian arm of foreign Company happens to be successful bidder, then the P.O. shall be placed in the name of Indian Arm of Foreign Company and payment shall be made in INR to Indian arm of foreign Company.

**Purchase Preference Linked with Local Content (PP-LC):** Ministry of Petroleum & Natural Gas vide No. O-27011/44/2015-ONG-II/FP dated 25.04.2017 has issued a Policy to provide Purchase Preference linked with local content (partially modified through MoPNG circular FP-20013/2/2017-FP-PNG dtd 31/12/2018 attached with this tender along with PPLC policy). This policy to provide Purchase Preference linked with local content, i.e., PP-LC, in public sector undertakings under Ministry of Petroleum & Natural Gas shall be applicable for this tender.

Bidder to note that benefits, as applicable under PP-LC policy shall be given only if bidder is complying with PP-LC policy and submit the desired documents irrespective of whether bidder is Indian bidder or Foreign bidder.

Details of policy with modifications along with methodology of evaluation are attached as annexure to this ITB.

### 36.3 **Workability Clause**

Where the lowest bid is very low compared to the cost estimate and other higher bids, the Owner shall review the lowest offered bid for workability of rates and shall ascertain whether Bidder has properly quoted with reference to the scope. In such cases, Owner may require the lowest Bidder to produce detailed price analysis for any or all items to demonstrate the internal consistency of these prices. After evaluation of the price analysis, Owner may require that the amount of the performance security is increased to a level sufficient to protect the Owner against financial loss in the event of default of the successful Bidder under the order and same shall be provided by the bidder.

Where based on workability assessment by authority (Owner), the vendor's bid is found non-workable, the same will be rejected and EMD, if any, forfeited.

- 36.4 In case of a bid by incorporated JV and such JV happens to be a successful bidder, the purchase order shall be placed in the name of incorporated JV and payment shall be made in the name of incorporated JV.

- 36.5 In case of a bid submitted by unincorporated JV/consortium and such unincorporated JV happens to be successful bidder, the purchase order shall be placed in the name of unincorporated JV and the payment shall be released in the name of unincorporated JV.

## **37.0 NOTIFICATION OF AWARD**

- 37.1 Prior to the expiration of the period of bid validity, the HPCL shall notify the successful bidder, in writing, that its bid has been accepted. The notification letter (hereinafter and in the General Terms & Conditions of Work Contract called the “**Letter of Intent (LOI)/ Letter of Acceptance (LOA)**”) specify the sum that the HPCL will pay the Contractor in consideration of the execution and completion of the Works.
- 37.2 Until a formal Purchase Order is placed, the notification of award along with this Bidding Document together with the annexed documents, modifications, deletions agreed upon by the HPCL shall constitute a binding contract between the successful bidder and the HPCL.

### **38.0 VOID**

- 38.1 Void

### **39.0 PERFORMANCE SECURITY**

- 39.1 Within fifteen (15) days of the receipt of notification of award from HPCL, the successful bidder shall comply with the requirement of Security Deposit/**Contract Performance Bank Guarantee as per General Terms & Conditions of Work Contracts.**
- 39.2 Failure of the successful bidder to submit the above-mentioned Security Deposit/**Contract Performance Bank Guarantee** shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security at the sole discretion of HPCL.

## BID DATA SHEET

SR.NO.	ITB CL. NO.	CONTENT
1.	ITB 1.1	Bidding Document REFERENCE No. Design, Fabrication, Manufacturing, Supply, Installation, Testing & Commissioning of 4 Nos. 10KWp Solar PV Rooftop Power Plant at MHMBPL
2.	ITB 1.1	Name of Works : 21000097-HB-10120
3.	ITB 3.1& 3.3	Enquiry Basis is: Domestic Public Competitive Bidding
4.	ITB 5.2	Last date for submission of pre-bid queries has been notified in HPCL,'s e-tender portal. The pre-bid meeting shall be held as per details in NIT, Chapter 1
5.	ITB 5.2	Address for communication for any query/clarification/communication is: Online through HPCL's e-Proc System
6.	ITB 10, 21.1 & 21.2	The last Date and time of submission of Bids has been notified in HPCL,'s e-tender portal.
7.	ITB 3.2, 10.1 d) & 18.9	For acceptability of Consortium / unincorporated Joint Venture (JV) Bids: Refer Notice Inviting Tender.
8.	ITB10.1 (k)	The Bidder shall submit with his bid the following additional documents: Nil
9.	ITB 20.4, 21.1	URL for e-tendering portal is <a href="https://etender.hpcl.co.in">https://etender.hpcl.co.in</a>
10.	ITB 14.1 & ITB 33.0	The currency of Bid is Indian Rupees only.
11.	ITB 17.0	Bid shall remain valid for a minimum period of <b>90 days</b> from due date of submission of Bid.
12.	ITB 18.1	As per detailed notice inviting tender.
13.	ITB 30.0	This tender being works contract, Purchase Preference as admissible under the prevailing procurement policy for MSEs is not applicable to this tender.
14.		<b>The subject tender is Schedule Wise. Vendor can participate in any one. Schedule or both the Schedules. Evaluation of the tender will be carried out Schedule wise.</b>

<b>15.</b>	Purchase Preference Linked with Local Content	Bidder to submit the following in un-priced bid: An undertaking from the authorized signatory of bidder having the power of Attorney stating the bidder meets the mandatory minimum LC requirement as per format provided in the tender  Tender quantities of a Schedule are not splittable.
------------	---	---

# **E-TENDER INSTRUCTIONS**

1. **This is only an e-Tender Enquiry and not an order.** HPCL reserves the right to cancel it at any stage without assigning a reason.
2. **VOID.**
3. The tender should be submitted online at website **<https://etender.hpcl.co.in>** only, by the due date and time, as specified in the tender. Late / delayed tenders submitted online after the due date and time, for whatsoever reasons will not be considered. The Server Date & Time as appearing on the HPCL website (<https://etender.hpcl.co.in>) shall only be considered for the cut-off date and time for receipt of tenders. Offers sent through post, telegram, fax, telex, e-mail, courier will not be considered.
4. All communication regarding the tender including queries, if any, and submission of offers shall be done online within the e-Procurement system at website **<https://etender.hpcl.co.in>**
5. **Two Bid System** Bidders are required to submit offer in two parts, namely “Unpriced (Technical Bid)” & “Priced (Priced Bid)”. The Bidder may modify or withdraw his online bid after the bid’s submission on line *but* prior to the bid due date & time.
6. Bidders shall be required to arrange all resources, including Digital Certificate and Internet Connections at their own cost, for participating in online tenders at HPCL e-Procurement site **<https://etender.hpcl.co.in>**. **For submitting online response, Digital Certificate / Signatures (Class III B) shall be mandatory.** In case, you are logging in for the first time, please ensure to upload your Digital certificate. The process for same is listed in the Help link after logging in.
7. ***PLEASE LOGIN WITH YOUR EIGHT DIGIT JDE (HPCL) VENDOR CODE AND CORRESPONDING BILL TRACKING SYSTEM (BTS) PASSWORD TO BID FOR THE TENDER. Alternatively for public tenders, vendor can create temporary login on his own. In case of any difficulty in logging or in case you do not have the BTS password, please contact (E proc helpdesk at: 022-41146666 on any day between 8.00AM to 8.00PM except on Sundays /Public holidays.) Please refer to help link after logging in, in case you are new to e-Tender.***
8. HPCL shall not be responsible for any delays reasons whatsoever in receiving as well as submitting offers, including connectivity issues. HPCL shall not be responsible for any postal or other delays in submitting EMD / tender cost wherever applicable.
9. HPCL will not be responsible for the cost incurred in preparation and submission of bids including the cost of digital certificate, regardless of the conduct of outcome of the bidding process.
10. ***Bidders are requested to quote unit rates (per unit quantity) in the on-line price bid only.***

11. Please do not quote / mention rates anywhere else in the tender other than online price bid. In case bidders quote rates at any other place (other than online price bid), **THE OFFER OF PARTY SHALL BE REJECTED.**
12. Bidders should only quote unit basic rate in the online priced bid format. However, all taxes and duties as applicable for the tender shall be quoted in the tax section online by the bidders. In case bidders do not quote any tax component/charges or mention the same as "0", in online Tax sheet/section, it will be considered that all the taxes/charges are included in rates quoted by the bidder and the same shall be binding to the bidder.
13. Request for extension of tender submission due date, if any, shall be considered at the sole discretion of HPCL however, request for extension received within **two (2)** days for limited tenders / **three (3)** days for public tender of tender submission due date /time **shall not be considered.**
14. The HPCL may, at its discretion, on giving reasonable notice online, extend the bid due date, in which case all rights and obligations of the HPCL and the Bidders, previously subject to the bid due date, shall thereafter be subject to the new bid due date as extended.
15. ***Please note that queries related to scope of job, tender specifications, terms & conditions etc should be submitted online only (by logging in at <https://etender.hpcl.co.in>) by the query end date / time specified in the online tender. The reply of queries sent by bidders/ messages issued by HPCL pertaining to tender shall be available on tender message board. HPCL, at its sole discretion, may not entertain the queries sent by post / fax/ e-mail or through any other mode of communication.***
16. **BID CLARIFICATIONS/AMENDMENTS BY HPCL:** HPCL may issue clarifications / amendments in the form of online addendum / corrigendum and on Message Board at <https://etender.hpcl.co.in> during the bidding period and may also issue amendments subsequent to receiving the bids. Bidders shall consider the addendum/corrigendum/Messages on Message Board while quoting for the tender. Bidders shall examine the Bidding Document thoroughly and submit it to HPCL. Any apparent conflict, discrepancy or error can be enquired. HPCL shall issue appropriate clarifications or amendments, if required. Any failure by Bidder to comply with the aforesaid shall not excuse the Bidder from performing the Services in accordance with the contract if subsequently awarded.
17. In case any deviation sought by bidder is accepted by HPCL, HPCL reserves the right to suitably load the bidder for evaluation purpose only.
18. **DEVIATIONS TO TENDER TERMS:**
  - 1) Bidders are requested to accept tender terms/conditions in totality and should avoid

deviations.

- 2) In case deviations to tender terms/conditions are unavoidable, the same should be mentioned in ONLINE DEVIATION SHEET. Deviations mentioned elsewhere shall not be considered by HPCL.
  - 3) In case, bidder is evaluated L1 bidder and has mentioned deviation to tender terms not in online deviation sheet, but elsewhere and is not withdrawing those deviations, HPCL may forfeit the EMD (IF APPLICABLE) of the bidder in such cases.
  - 4) ***No new deviation will be received/ accepted from bidder after bid due date. In case bidder submits new deviation, his bid will be rejected. At the sole discretion of the HPCL bidder may be given opportunity to withdraw the deviation and in case the same is not withdrawn by the bidder, the offer of the bidder shall be rejected & EMD/ bid security (if applicable) submitted by the bidder shall be forfeited.***
19. ***Bidders must attempt to submit bids only in non-peak hours as there could be chances of packet droppings in peak hour. Further, bidders must be educated on efficient scanning techniques at lower dpi so that more no of pages can be scanned by them within lesser file size limits. Lower file size would also mean, easier submission of bid documents by the vendor.***



## **Purchase Preference (linked with Local Content) applicable for SUPPLY TENDERS**

“MoPNG, vide letter no. O-27011/44/2015-ONG-II/FP dated 25.04.2017 (*modification done thru MOPNG circular FP-20013/2/2017-FP-PNG dtd 31/12/2018, policy copy along with modification circular is enclosed as Annexure - I*) has notified the purchase preference (linked with local content) for the procurement of goods and services under Oil & Gas Projects in India. Under this Policy, the bidders are allowed to avail the purchase preference linked with attaining the stipulated Local content.

Project owner reserves the right to allow Manufacturers or suppliers or Service providers, purchase preference as admissible under the prevailing policy, subject to their complying with the requirements/ conditions defined herein and submitting documents required to support the same.

In order to avail the Purchase preference under this policy, bidder shall achieve minimum Local Content (LC) as specified in Table – 2 of attached policy (this Project being downstream project). The Policy shall be implemented in the following manner:

### **A. Submission of Local Content:**

a) Bidders in their un-priced bid shall be required to submit the following:

- I. The bidder shall submit an undertaking (Appendix 1A) from the authorized signatory of bidder having the power of Attorney along with the bid stating the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.*
- II. In cases of procurement for a value in excess of Rs 10 crores, the undertaking submitted by the bidder shall be supported by a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of other than companies) giving the percentage of local content.*
- III. However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of local content is also acceptable. In case office or subsidiary in India does not exist or Indian office/subsidiary is not required to appoint statutory auditor or cost auditor, certificate from practicing cost accountant or practicing chartered accountant giving the percentage of local content is also acceptable. ‘*

In case the local content is not furnished in line with above requirements, such bidders shall not be considered eligible for purchase preference (linked with local content) while evaluating the bids.

***The onus of submission of appropriately certified documents lies with the bidder and the purchaser shall not have any liability to verify the contents and will not be responsible for the same.***

***However, in case the procuring company has any reason to doubt the authenticity of the Local Content, it reserves the right to obtain the complete back up documents before award of work failing which the bid shall be rejected.***

- (i) Declaration w.r.t. Local Content as well as break up of Local Content shall be submitted in line with tender evaluation criteria i.e. in case overall lowest basis, declaration/Local content for whole tender and in case of schedule wise/item wise / part wise evaluation the documents are to be submitted schedule wise / item wise respectively.

B. **MSE Bidders:** The option in case of MSE bidders qualifying under both Policies, namely, Purchase Preference under the Public Procurement Policy - 2012 (PPP-2012) for MSE bidders and Purchase Preference Linked with Local Content (PP-LC 2017) shall be exercised as under:

- The MSE bidder can avail only one out of the two applicable purchase preference policies, i.e., PP-LC 2017 or PPP-2012 and therefore, bidder in his un-priced bid will be required to furnish the option under which he desires to avail purchase preference. This option must be declared within the offer and in case bidder fails to do so although he is eligible for both the Policies, his offer shall be evaluated considering PPP-2012 as the default chosen option. In case a MSE bidder opts for preference under PPP-2012, he shall not be eligible to claim benefit under PP-LC 2017 (irrespective of the fact whether he furnishes the details of LC in his offer and this LC meets the stipulated LC criteria).
- In case a MSE bidder opts for purchase preference based on PP-LC 2017, he shall not be entitled to claim benefit of purchase preference benefit as applicable for MSE bidders under PPP-2012. However, the exemptions from furnishing Bidding Document fee and Bid security shall continue to be available to such a bidder.

C. **Evaluation methodology of bids (governed by tender evaluation criteria i.e. overall lowest/ schedule wise lowest/ item wise lowest):**

- a) In case the lowest (L1) bidder meets the stipulated LC criteria, the order shall be awarded to such bidder.
- b) In case none of the bidders meets the stipulated LC criteria, the order shall be awarded to the Lowest bidder.
- c) In case the lowest bidder does not meet the stipulated LC criteria, the bidders shall be ranked in the ascending order of evaluated prices and next bidder meeting minimum stipulated LC and with his evaluated price within a price band of (+) 10% of lowest bidder's evaluated price, shall be given opportunity to supply 50% of the requirement by matching the lowest bidder's evaluated price. However, if 50% quantity works out to a fraction of quantity, the bidder shall be considered for next higher quantity. In case the quantity cannot be split, the order shall be placed with the entire quantity.
- d) In case there are more than one bidder within the price band of (+) 10% of lowest bidder's evaluated price, they shall be ranked in ascending order of their evaluated prices. The opportunity of matching the price shall be accorded starting from the lowest bidder out of these bidders and in case of his refusal, to the next bidder, and so on.
- e) In case none of the bidders who meet the stipulated LC criteria agree to match the lowest price, the natural lowest bidder will be awarded the job.
- f) In view of the above, the bidder's quoted prices against various items of enquiry shall remain valid even in case of splitting of quantities of the items.

**g) Evaluation when MSE bidder is also involved-**

- g.1) While evaluating the bids, for price matching opportunities and distribution of quantities among bidders, the order of precedence shall be as under:
- MSE bidder (PPP-2012) (i.e., MSE bidder opted preference under PPP-2012 or not specified any preference)
  - PP-LC complied bidder (PP-LC)
- g.2) In case lowest bidder is a MSE bidder (MSE bidder opted preference under PPP-2012 or not specified any preference), the work (in line with tender evaluation criteria) shall be awarded to him without resorting to purchase preference to bidders complying with Local Content.
- g.3) In case lowest bidder is a PP-LC bidder, purchase preference shall be resorted to MSE bidder (MSE bidder opted preference under PPP-2012 or not specified any preference) as per provisions specified in the enquiry document w.r.t. PPP-2012 only.

**Examples of Purchase Preference:**

**Non divisible item**

L1 bidder is non MSE, non PP-LC bidder

L2 bidder is PP-LC (within 10%)

L3 bidder is MSE bidder (within 15%)

MSE bidder shall be given preference to match the L1 price. If L3 bidder matches the L1 price, order shall be placed on him, otherwise, option for matching the L1 price shall be given to L2 bidder (PP-LC).

**Divisible item**

L1 bidder is non MSE, non PP-LC bidder

L2 bidder is PP-LC (within 10%)

L3 bidder is MSE bidder (within 15%)

MSE bidder shall be given preference to match the L1 price. If bidder matches the L1 price, order shall be placed on him for the quantity specified in the bidding document. For the balance quantity (i.e. 50% of tendered quantity/value) option for matching the L1 price shall be given to L2 bidder (PP-LC). Balance quantity shall be awarded to natural lowest bidder.

For further clarification, in case an item has quantity 4 nos. then 1 no. can be given to MSE bidder, 2 to PP-LC bidder and left out 01 no. to natural L1 bidder.

*Note:*

*The above two examples are not applicable to the Works Contracts since the Purchase Preference under PPP-2012 is not applicable to works contracts.*

**D. Failure of bidder in complying with the local content post award:**

This shall be governed by the attached policy (PP-LC). Bidders to note that the financial penalty as per clause 9.4.1 of the policy shall be 10% of total contract value (exclusive of taxes and duties)

To ensure the recovery of above pre-determined penalty, payment against dispatch/shipping document shall be modified to the extent that the 10% payment out of this milestone payment shall be released after completion of this milestone as well as

submission of certification towards achievement of Local Content, as per provision of enquiry document. Alternatively, this payment can be released against submission of additional bank guarantee valid till completion schedule, plus 3 months or as required by purchasing company.

***Balance provisions & other modalities shall be applicable as per the attached policy dated 25/04/2017 (PP-LC).***

**Appendix I to PP-LC Methodology**

**UNDERTAKING BY BIDDER TOWARDS MANDATORY MINIMUM LC**  
**(IN CASE SEEKING BENEFIT OF PP-LC)**

To,

M/s Hindustan Petroleum Corporation Ltd, Mumbai

---

SUB:

TENDER NO:

Dear Sir

We, M/s\_\_\_\_\_ (*Name of Bidder*) have submitted bid no.....  
against aforesaid tender.

We hereby confirm that we are eligible for benefit under Purchase Preference (linked with local content) and undertake that we meet the mandatory minimum Local content requirement of ..... % (bidder to specify %age) as per policy requirement. The item wise/schedule wise/group wise for the items/groups/schedules/parts as per below table:

S no.	Item no./Group no./Schedule no. / Part no.	Status of meeting minimum local content (Yes / No)

***The detailed break up is enclosed as Appendix IA.***

We further confirm that in case we fail to meet the minimum local content, HPCL will take action as per provision of tender document.

Place: [Signature of Authorized Signatory of Bidder]

Date: Name:

Designation:

Seal:

**Subject: Policy to provide Purchase preference (linked with local content) (PP – LC) in all Public Sector Undertakings under Ministry of Petroleum and Natural Gas.**

**1 Preamble**

- 1.1 In tune with Make in India (MII) campaign in oil and gas sector, the Government has decided to incentivise the growth in local content in goods and services while implementing oil and gas projects in India, and
- 1.2 Whereas the Public procurement policy rests upon the core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective, and
- 1.3 Whereas, the local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them etc.
- 1.4 Whereas incentivising enhanced local content in the procurement of goods and/or services in oil and gas business activities would lead to increased local industry content;
- 1.5 Therefore, the Ministry of Petroleum and Natural Gas (MoPNG) has decided to stipulate the following policy for providing Purchase Preference to the manufacturers/ service providers having the capability of meeting/ exceeding the local content targets in oil and gas business activities;
- 1.6 This policy considers the Local Content (LC) as the added value brought to India through the activities of the oil and gas industry. This may be measured (by project, affiliate, and/or country aggregate) and undertaken through Workforce development and investments in supplier development through developing and procuring supplies and services locally.

**2 Definitions**

- 2.1 **Oil and Gas Business Activity** shall comprise of Upstream,

Midstream and Downstream business activities.

- 2.2 **Domestic products** shall be goods and/or service (including design and engineering), produced by companies, investing and producing in India.
- 2.3 **Local Content** hereinafter abbreviated to LC shall be the value of local components in goods, service and EPC contracts, indicated in percentage.
- 2.4 **Domestic Manufacturer** shall be business entity or individual having business activity established under Indian law and producing products domestically.
- 2.5 **Supplier** of goods and/or provider of service shall be a business entity having capability of providing goods and/or service in accordance with the business line and qualification thereof.
- 2.6 **Steering Committee** means the committee to be constituted by MoPNG to provide effective guidance and to oversee the implementation of the Policy on a regular and continuing basis.
- 2.7 **Verification** shall be an activity to verify the accomplishment of LC by domestic manufacturers and/or suppliers of goods and/or providers of service with the data obtained or collected from respective business activities.
- 2.8 **Purchase preference:** Where the quoted price is within 10% of the lowest price, other things being equal, purchase preference may be granted to the bidder concerned, at the lowest valid price bid.
- 2.9 **Local Content (LC)** in Goods shall be the use of raw materials, design and engineering towards manufacturing, fabrication and finishing of work carried out within the country.

- 2.10 **Local Content (LC)** in Services shall be the use of services up to the final delivery by utilizing manpower (including specialist), working appliance (including software) and supporting facilities carried out within in the country.
- 2.11 **Local Content (LC)** in EPC contracts shall be the use of materials, design and engineering comprising of manufacturing, fabrication, assembly and finishing as well as the use of services by utilizing manpower (including specialist), working appliance (including software) and supporting facility up to the final delivery, carried out within the country.
- 2.12 **Factory overhead cost** shall be indirect costs of manpower, machine/working appliance/facility and the whole other fabrication costs needed to produce a unit of product with the cost not chargeable directly to specified product.
- 2.13 **Company overhead cost** shall be costs related to the marketing, administration and general affairs cost of the company.
- 2.14 **Indian Company** means a company formed and registered under the Companies Act, 2013.
- 2.15 **Foreign company** means any company or body corporate incorporated outside India which— (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and (b) conducts any business activity in India in any other manner.
- 2.16 **Target Purchase Preference** is the LC in percentage for the period in force, as set out in the Enclosure-1.

### 3. Scope

- 3.1 The regulation shall be intended to:
- 3.1.1 Support and boost the growth of domestic manufacturing sector so as to be able to support oil and natural gas business activities and contribute added value to economy, absorb manpower as well as have national, regional and international competitiveness;
- 3.1.2 Support and boost the growth of innovation/technology of domestic manufacturing sector.



3.2 This policy shall apply to all the Public Sector Undertakings and their wholly owned subsidiaries under the Ministry of Petroleum and Natural Gas; Joint Ventures that have 51% or more equity by one or more Public Sector Undertakings under the Ministry of Petroleum and Natural Gas; attached and subordinate offices of MoPNG.

3.3 This policy shall not include goods/ services falling under Micro Small and Medium Enterprises (MSME) or Domestically Manufactured Electronic Products (DMEP), as those products/ services are already covered under specific policy. However, an option would be given in the tender for the bidder to declare preference for seeking benefit under PP-LC/MSME or DMEP.

#### 4. Procurement

4.1 The procuring companies shall follow their own procurement procedures. Aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy, may be adopted by procuring companies.

4.2 The producers of goods and/or providers of services shall be obliged to fulfil the requirements of quality and delivery time in accordance with the provisions of the respective contracts of goods and services.

#### 5. Purchase Preference- Linked with Local Content (LC)

5.1 The following provisions may be considered for LC linked Purchase Preference:

5.1.1 In supporting the growth of domestic products, the target of Local Content (LC) in the oil and gas business activities shall be set as contained in Enclosure-I. The manufacturers/ service providers having the capability of meeting/ exceeding the local content targets shall be eligible for 10% purchase preference under the policy, i.e. LC manufacturers/ LC service providers respectively as described below.

5.1.2 Wherever the goods/ services are procured under this policy, eligible (techno-commercially qualified) LC manufacturers / LC service providers may be granted a purchase preference of 10%, i.e. where the quoted price is within 10% of the lowest price, other things being equal, purchase preference may be granted to the eligible (techno-commercially qualified) LC manufacturers /service providers concerned, at the lowest valid price bid.

- 5.1.3 **Goods:** The tender for procuring goods would specify that the contract for 50% of the procured quantity would be awarded to the lowest techno-commercially qualified LC manufacturer/ supplier, subject to matching with L1, if such bidders are available. The remaining will be awarded to L1 (i.e. Non Local Content (NLC) manufacturer / supplier not meeting prescribed LC criteria).
- 5.1.3.1 However, if L1 bidder happens to be a LC manufacturer, the entire procurement value shall be awarded to such bidder,
- 5.1.3.2 If in the opinion of the procuring company, the tenders (procured quantity) cannot be divided in the prescribed ratio of 50:50, then they shall have the right to award contract to the eligible LC manufacture for quantity not less than 50%, as may be divisible,
- 5.1.3.3 In continuation to 5.1.3.2 above, if the tendered item is non divisible, (to be included in the tender document by procuring company) the contact can be awarded to the eligible LC manufacturer for the entire quantity,
- 5.1.4 **Services/ EPC Contracts:** The tender for oil and gas services/ EPC contracts shall not normally be split. For such procurement the tender would specify that the entire contract would be awarded to the lowest techno-commercially qualified LC service provider, subject to matching with L1, if such bidders are available and L1 bidder is not a LC service provider. However, tender for certain oil & gas services can normally be split, in such cases, splitting shall be allowed and specified in tender document. Such services shall follow the procedure outlined for goods as described in para 5.1.3. The procuring company should clearly specify in the tender document whether the tender shall be split or not.
- 5.1.5 For para 5.1.3 and 5.1.4 above, only those LC manufacturers/ service providers whose bids are within 10% of the L1 bid would be allowed an opportunity to match L1 bid.
- 5.1.6 The tender conditions would ensure that local content in oil & gas products is encouraged. However, the procuring company may incorporate such stipulations as may be considered necessary to satisfy themselves of the production capability and product quality of the manufacturer.