

**Numaligarh Refinery Limited**  
**Contractors' Performance Evaluation Procedure**  
Applicable for tenders floated w.e.f. 1<sup>st</sup> August, 2021  
(For information of bidders)

No. NRL/Contractor Evaluation/01

Date: 08.07.2021

**1.0 Introduction:**

Project construction activities of 3MMTPA Green Field Numaligarh Refinery was started in 1994 under EIL as EPCM Consultant and commercial production started since Oct, 2000. Since then NRL has completed its journey for last about 20 years of operation with vast experience in handling of various types of contracts and issues related to contractors' performance management. However, a comprehensive, measurable and efficient contractors' performance evaluation procedure, based on objective analysis and due transparency is yet to be established. Due to this, bids of non-performing or under-performing contractors are evaluated on equal footing with the performing contractors, without any consideration of their past performance parameters.

View above, it is felt necessary to put in place a dynamic performance monitoring/evaluation procedure so that contractors are continuously monitored, evaluated and made accountable of their performance and a rating is done continuously on each work performed by a contractor. This rating shall be used in the evaluation of the bids in subsequent tenders.

**2.0 Procedure:**

Contractors' Performance Evaluation shall be carried out based on following 4 parameters:

**Table-1:**

Sl. No.	Parameters	Max. Marks
1	<b>Compliance of safety and housekeeping at worksite:</b> a. Unsafe Acts and unsafe conditions reported at site b. Incident/Accident reported at construction site c. Use of PPE d. Response to BBS e. Good Housekeeping at the worksite	15
2	<b>Resource mobilization/delay in completion:</b> a. Non deployment of Engineer/Supervisor/Equipment as per the contractual provisions b. Not bringing materials under Work Order as per the Site requirement / Not deploying manpower as per site requirement c. Late signing of Agreement d. Late start of the physical work at site e. Delay in completion of the work	15
3	<b>Quality of works and documentation:</b> a. Quality of materials b. Quality of workmanship/deviation of work procedures at site c. Non-compliance of EIC instruction related to work quality/ workmanship d. Submission of wrong measurement/bill e. Non-compliance of SCC/ GCC provisions f. Non-submission of contract closing documents (including final bill) in time	15
4	<b>Compliance of statutory / regulatory guidelines:</b> a. Compliance of timely wage payment directly in the bank account of the workmen b. Compliance of PF and ESI/Insurance c. Compliance of advance Forest Royalty Payment for forest materials used d. Any other reported non-compliance of applicable regulatory/ statutory guidelines.	15
	<b>Total Marks =</b>	<b>60</b>

### 3.0 Methodology for Evaluation

Following uniform negative marking system shall be followed under selected parameters:

**Table-2:**

Sl. No.	Parameters	Deductions	Max. Marks Deductible
<b>1</b>	<b>Safety Norms and Housekeeping:</b> Non compliances of basic safety performance (like use of PPE/ Near-miss/ BBS/ poor housekeeping) warning letter / field note /e-mail shall be issued to the contractor for each instances		15
1.1	After first two instances of non-adherence of PPE / high potential near-miss / BBS / poor housekeeping / work improperly / work without permit / use of improper/non-tested equipment etc. (to be decided by EIC).	0.6	
1.2	Against each instance from 5 <sup>th</sup> instance onward of non-adherence of PPE / high potential near-miss / BBS / poor housekeeping / work improperly / work without permit / use of improper/non-tested equipment etc. (to be decided by EIC).	1	
1.3	Against each First Aid incident reported at site for which contractor is responsible.	2	
1.4	Against each LTA Incident reported at site for which contractor is responsible.	2	
1.5	Against each major Fire and/or any accident resulting in body part amputation	10	
1.6	Against any fatal accident reported at site due to unsafe conditions at site / unsafe act of contractor / his staff during the execution of the works	15	
<b>2</b>	<b>Resource Mobilization / delay in completion</b>		15
2.1	Non deployment of Engineer/Supervisor/Equipment as per tender and/or as advised by EIC or his authorized representative – against each 7 days delay beyond the target date notified through written communication by EIC or his authorized representative on each occasion.	1	
2.2	Non-availability of supply materials and manpower as per tender and/or as advised by EIC or his authorized representative – against each 7 days delay beyond the target date notified through written communication by EIC or his authorized representative on each occasion	2	
2.3	Delay in start of physical works at site after site handover as agreed in the KOM – for every 7 days of delay	1	
2.4	Delay in completion of work beyond scheduled completion date – for every 1 month of delay attributable to contractor	2	
<b>3</b>	<b>Quality of works and documentation:</b>		15
3.1	Bringing and using off-spec materials at site for every occasion –against written communication by EIC or his authorized representative	2	
3.2	Non-compliance of EIC instruction related to work quality/ workmanship for every occasion – as per the written communication by EIC or his authorized representative	2	
3.3	Non-compliance of SCC/GCC provisions, work's bar chart, S-curve, progress report as planned – for every occasion – as per the written communication by EIC or his authorized representative	1	
3.4	For submission of wrong/duplicity of measurements / bills – in each occasion. Submitted bill shall be taken as proof of such act of the Contractor.	2	
3.5	Non- submission of proper contract closing documents to the EIC in time from the date of completion of the work or advised by EIC or his authorised representative e.g. delay analysis of completion time, labour liability indemnity/ no-dues certificate/ FRCC/ material	3	

	reconciliation statement, etc. (as applicable in particular contract) within: a) 45 days time period having contract value less than 50 Cr. b) 90 days above 50 Cr.		
4	<b>Compliance of statutory / regulatory guidelines</b>		15
4.1	For Non-Compliance of Workmen wage payment (reported case of less than the minimum wage prescribed by NRL paid to workers, late payment, non-payment to bank accounts of workmen as per the contract provisions) – for each occasion	2	
4.2	Non-compliance of PF and ESI of the workmen – in each case	2	
4.3	Non-compliance of payment of advance Forest Royalty Payment for forest materials used and/or any other non-compliance of applicable laws/acts/rules of the land in vogue	1	
		Total =	60

#### 4.0 Methodology for implementation

4.1 Based on the marks scored (Total marks 60 minus marks deducted due to non-compliance during the evaluation period as per Table-2 above) by the contractor their performance shall be evaluated for qualifying or not qualifying for the future tenders.

4.2 Based on the above ratings, the following actions shall be taken for allowing such contractors in subsequent tenders:

Sl No	Performances	Actions
01	Performance of the contractor shall be declared <b>Satisfactory</b> on compliance of the following criteria:  1.1 Score 60% or above in the combined allocated points of Parameter-1 (Safety Norms and Housekeeping) and Parameter-4 (Compliance of statutory / regulatory guidelines) <b>And</b> 1.2 Score overall 61% or above in the compliance of overall parameters 1 to 4.	Contractor whose performance is <b>Satisfactory</b> will be eligible to participate in all future tenders of NRL.
02	Performance of the contractor shall be declared <b>Unsatisfactory</b> if they do not meet the criteria as described above under the sl. no. 01 above.	Contractor whose performance is <b>Unsatisfactory</b> shall be <b>debarred for 1 year</b> from participating in NRL's tenders from the date of notification of the performance by NRL.

4.3 If the contractor performance is **unsatisfactory**, then the notification for debarring the contractor shall be issued by Commercial Dept.

#### 4.4 Other Points related to implementation:

- Contractor's performance shall be continuously evaluated based on the evaluation procedure outlined above, during the entire execution period till closure of the contract.
- When any marks shall be deducted due to non-compliance of the set parameters for the evaluation, contractor shall be communicated through written communication about the total marks being scored, the total marks deducted at that stage and their performance ratings.
- Final performance shall be evaluated within 60 days after completion of the work.
- Performance evaluation shall be applicable for all service & work contracts awarded by NRL (or by NRL authorized agencies / PMC / EPCM).

- v) This policy shall not be applicable for supply tenders, as well as services & works provided on OEM/Proprietary basis.  
Also, certain works & services pertaining to expert/specialized contracts, as decided by NRL, shall fall outside the ambit of this policy. (For such cases, this policy shall not be part of the respective tender document).
- vi) Performance evaluation process shall be part of the tender so that contractors are aware about the evaluation process well in advance.
- vii) If a contractor is executing more than one contract at any point of time, and their performance is found to be unsatisfactory in any one of the contract, necessary action will be taken accordingly. However, he will continue to execute the contracts under him till completion of the job in totality
- viii) If the contractor has disagreement with the rating/ marks deduction at any occasion, he may approach to EIC with documentary evidence. If EIC is satisfied with the proof submitted by the contractor, EIC may take corrective action in the rating.
- ix) For habitual defaulter (03 occasions) debar period may be doubled in subsequent cases (3rd occasion onwards). This shall be decided by NRL through a committee consisting of functional heads of Executing, HR and Commercial department.
- x) Debarring and holiday listing will not be treated as the same action. Debarring will restrict the contractor from participation in NRL tenders. However, Holiday Listing may restrict the contractor from participation in tenders of other PSUs also. Hence debarred contractors list will be maintained separately by NRL and not to be included in the NRL Holiday Listed vendors.
- xi) As per provisions of NRL's holiday listing policy in vogue, action against any defaulting contractors may be processed and taken separately.

For any clarifications contractor(s) may contact respective EIC.

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