

Expression of Interest (EOI) for E-procurement Solution

EOI - Tender Reference: E-proc/VR/07/01 dated 28.12.06

Last date & time for submission of the EOI : 31-Jan-2007 at 11.00 Hrs IST

Address for communication & Submission of EOI:

O/o GM-Special Assignments
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EXPRESSION OF INTEREST FOR E – PROCUREMENT SOLUTION
Tender Document (E-proc/VR/07/01)

1.0 INTRODUCTION: Hindustan Petroleum Corporation Limited (HPCL) is mega Public Sector Undertaking (PSU) with Navratna status. It is one of the largest integrated oil refining and marketing company in India with a turnover of over Rs.74, 000 crores. The Corporation operates two major refineries one in Mumbai (west coast) and the other in Visakhapatnam (East coast) with all India marketing set-up.

Corporation has taken up various initiatives such as Business Process Reengineering (BPR) exercise, ERP implementation, Balance Score Card, Competency Mapping, etc to succeed in the present competitive environment. In continuation of this process, HPCL invites Expression of Interest (EOI) from reputed parties for development and implementation of **e-procurement solution** to handle its procurement under various scenarios. The solution should be capable of handling **e-tendering, e-auction & reverse-auction**. The Solution shall be used for procurement of goods/ services and disposals.

In the initial stage, the e-procurement solution will be **pilot implemented at Visakh Refinery**, which may be scaled at Corporation level at a later date in stages to various locations.

Basis the responses received, HPCL will finalize a list of vendors to whom a detailed “Request for quotation” (RFQ) document would be forwarded for submission of detailed technical / price bids.

1.1 PRESENT SYSTEMS:

Presently HPCL is operating J D Edwards One World Xe ERP system (currently called J D Edwards Enterprise One from Oracle) for all its procurement, receipts & payments. At Refineries, we also have a Computerized Maintenance Management System (CMMS), Maximo version 5.02 at Visakh Refinery (VR) & Maximo Version 5.01 at Mumbai Refinery (MR).

At MR, Purchase requisitions & Receipts are handled in Maximo while tendering, Purchase orders & payment are handled in JDE –ERP by a seamless interface.

At VR, Purchase requisitions, tendering, Purchase order & Receipts are handled in Maximo while payment are handled in JDE –ERP by a seamless interface. However, there is a plan to move VR interface also to the same level as MR in due course.

2.0 SCOPE OF WORK :

- 2.1 Study HPCL's current procedures [*"as is" process*] of purchase and understand HPCL's current IT, Maximo & ERP infrastructures by visit and/or, other means of communication. This also includes GAP analysis and integration with existing software / packages like Maximo / JDE.
- 2.2 Supply and customize an e-tendering / e-procurement software, which shall be available 24 x 7 online for tender document & bid submission in two bid system (priced & un-priced) using browser interface.
- 2.3 The e-procurement solution shall be capable of handling on line e-auctions for disposals including tendering for disposal.
- 2.4 The e-procurement solution shall also be capable of handling reverse auction and finalize the tender, with following conditions:
 - (i) Bidder shall quote less than what is quoted in their own price bid.
 - (ii) Bidder shall quote less than the company estimate (Start Bid Price).
- 2.5 The e-procurement solution shall:
 - a) Be powerful to handle, at least 2000 items in a single tender, with about 50 bidders participating in it. There may be multiple tenders running concurrently with multiple vendors on an individual tender. One vendor may be participating in more than one tender with all or some of other participating vendors being different.
 - b) Have facility for bidders to download the tender and submit un-priced bid (Technical), Priced Bid separately in secure mode using digital certificate, at any time before the specified closing date/time and ensure closing the submission at the specified date/time with no access for submission of bids thereafter. For limited tenders, only authorized bidders should be allowed to view/access, submit the Bids. For the Public tenders any party may be able to view / access, submit the Bid even though, the bidder is not registered with HPCL.
 - c) Allow bidders to make any number of changes in their quoted priced / un-priced bids, rates & attachments only till the bid closing date & time. No change will be permitted after the bid closing date & time unless authorized by HPCL.
 - d) Allow the Bidders to attach brochures, drawings, certificates along with their Bids which should be authenticated.
 - e) Shall have provision for incremental save data entry while submission/downloading/opening of Bids etc.
 - f) Have facility of revising the due date / time in secure mode before opening of the tenders and option for re-floating / canceling the tender at any stage in secure mode by HPCL users.
 - g) Support on-line pre-bid meeting, on-line opening and witnessing of Un-priced (technical) & priced bid of the participating bidders after specified date/time only.
 - h) Have facility to open in secure mode only the un-priced(Technical) bids of the eligible participating bidders (with valid EMD & valid Digital

Certificate) and the priced bids of only technically & commercially accepted bidders after specified date & time thereafter

- i) Shall be capable of handling Technical review of the un-priced bids to be done online by users by logging into the portal in normal mode (without digital signature). Comments /Reason for rejection (technical & commercial) may be viewed by Bidders, if HPCL so authorizes.

2.6 HPCL has present system of opening the tender on specified date & time in presence of minimum 2 officers. System should be capable of emulating the same in e-procurement solution as well. There should be provision to handle situations of transfers/ separations/ non availability of the authorized person on a particular date & time for opening of Bids. However, the Bid should not be visible / accessible even to the authorized officers before the due date & time for opening of tenders.

2.7 The solution shall have a system for verification of the validity of Digital Certificates by HPCL officer/s before tender opening.

2.8 The solution shall also have facility of processing bid evaluation and generate Bid Evaluation sheet in MS-Excel. Provision should be there for making the Bid Evaluation sheet available in Server and required work flow component should be available for routing and approvals. The Originator will have only Write Access, other will have read access. However the approvers in the work flow /approval route may put comments which should be secured..

2.9 The entire solution shall be PKI (Public Key Infrastructure) enabled supporting 128 bit encryption, at data base level and Digital Certification.

2.10 The security of the hardware, software & entire system shall be to the level desired for sensitive Govt of India purchases and shall qualify for system audit by STQC (Standardization Testing Quality Certification) Directorate under Ministry of Communication & IT, GOI. **(Or)** equivalent agencies acceptable to HPCL.

2.11 The solution shall have inbuilt Audit trail at each stage and for each transaction.

2.12 The software shall also be capable of handling of failed/ rejected bids, for auto e-notice / e-mail informing reasons of rejection at HPCL's option.

2.13 The e-procurement solution shall also:

- a) Have features like generating MIS on critical milestones, tender tracking , search option.
- b) Be capable of allowing bidders to view, how many tenders they have participated, how many orders secured, etc.
- c) Be capable of allowing bidders to view, the successful agencies rate etc for completed tenders if so authorized by HPCL

2.14 The solution shall have capability to allow vendors to apply online for registration with necessary documentation as an attachment. Such applications will be reviewed

separately. The information of vendors, if approved for registration should flow to registered vendor's database in the system and then it should be available for further transaction on e-procurement system. There should be a provision for providing on line incorporating any change in registered vendor database based on authorization by HPCL. The Application should be integrated to mail, capable of sending SMS or tracking the status to be made available to vendors.

2.15 The solution should also have facility for work flow and on-line help by flash tutorial for all bidders.

2.16 Party to submit complete technical details for the required hardware, software & database in the EOI.

2.17 Party shall assist HPCL & HPCL's vendors to get digital certificates at the pilot stage.

2.18 Party shall train HPCL team & HPCL vendors in remote & also through a help-desk in Visakhapatnam during pilot stage.

2.19 HPCL envisages following mode of interfacing with existing JDE / Maximo software package. However, party may provide alternative schemes for HPCL review in the EOI.

- i) Purchase Requisitions will be generated in JDE/Maximo
- ii) Tenders will be generated in JDE/Maximo
- iii) Generated tenders to flow to e-procurement solution.
- iv) Tender hoisting, Downloading, Bid submission/opening, evaluation in e-procurement solution.
- v) Rates of all technically & commercially qualified Bidders should flow to JDE / Maximo for generating PO in JDE/Maximo.
- vi) The PO details to be available in e-procurement system for information
- vii) Receipts of goods /services in JDE/ Maximo, Payments in JDE.

However, e-procurement solution should have facility of generating RFQ /PO.

3.0 Pre-Qualification Criteria:

Following are the pre-qualification criteria for the purpose of short listing vendors to whom the detailed RFQ document may be sent subsequently.

- (a) Party (bidder) may be an OEM **and** /or an authorized Systems Integrator of the e-procurement product.
- (b) Subject to satisfying condition (a) above, party (bidder) should be capable of implementing the product to meet HPCL Business Processes. The Product should meet the requirements of Procurement and Disposal Systems for Indian Public Sectors under CVC guidelines.

- (c) Party (bidder) must have proven track record in India & shall have implemented successfully at least one e-procurement solution (includes e-tendering) in a large size organization (in India) having operation in multi geographical locations where e-procurement is in “use”. The solution provided must be capable of handling at least 1000 tenders per annum in competitive Bid (Public/Limited tenders) scenario and e-auction. The solution should be currently in “use” in India to the satisfaction of the customer.
- (d) Party shall be willing & capable of handling the entire scope of job given above at clause No. 2.0.
- (e) Party must be willing & capable of interfacing with the existing software packages e.g. JDE- ERP & Maximo.

4.0 Model

Parties are requested to submit the EOI for the following:

- (a) The Vendor will implement the e-procurement solution under BOT (Build, Operate and Transfer) Method. The e-procurement solution will cover supply of Hardware, Software and implementation covering the Business Process of HPCL. The contract will be for a period of one year. After successful operation of the e procurement system for one year, the Software and Hardware will be transferred to HPCL. The cost payable by HPCL during initial one year will be a fixed amount per tender made in e-procurement system. No amount will be charged by the e procurement vendor to the prospective bidders of HPCL. Vendor is required to quote cost at which the system will be built and implemented as per HPCL Business Processes and cost at which the application will be transferred to HPCL after one year. Vendor also needs to indicate the AMC charges per year for the e-procurement system subsequent to handing over of the system (Hardware and Software) to HPCL
- (b) The Hardware will be installed in Data Center of Visakh Refinery and the same will be made available 24 X 7 in a High Availability mode. Required redundancies should be built at the Hardware level while implementing the solution. HPCL will provide access to the system and application both at on-site and through Remote. The vendor needs to undertake complete Operational aspects from the Operating System, Application Software and Data Bases. HPCL will provide the licenses of Operating System and Data Base.
- (c) The hardware to be provided by the vendor shall be “what is required” for operating the e-procurement system at Visakh refinery. However, the software should be scalable for use for the entire corporation at a later date.

5.0 EOI shall contain the following:

1. All documents in support of pre-qualification criteria as mentioned above.
2. Vendors to submit complete requirements of hardware, software & database, etc. with technical details for the scope mentioned in the EOI.

3. Confirmation from the party regarding capability of handling entire scope of job as given in clause No.2.0.
4. Necessary documents, references supporting successful completion of at least one e-procurement solution of the size and complexity mentioned in prequalification criteria (Clause 3.0) to be enclosed in the EOI. HPCL reserves the rights to verify the details directly with the customers where the e - procurement solution has been implemented.
5. HPCL may desire to have the presentation /demo of the proposed solution to verify the suitability of the solution under various scenarios.
6. The budgetary estimate for the **Model** specified above on the basis of ultimate cost to HPCL with detailed cost breakup.
7. Vendor also needs to indicate approx. time required for supply of hardware, customize their software and putting the e-procurement system on line.

6.0 Submission of EOI :

EOI with supporting documents & details (**In two sets**) as mentioned above shall be submitted to O/o GM-Special Assignment, Hindustan Petroleum Corporation Ltd, Visakh Refinery, Malkapuram, Visakhapatnam-530 011 Tele-fax No. **0891-2577011**, on or before- 11 Hrs IST of 31-Jan-2007

7.0 Disclaimer:

HPCL reserves the right to reject or accept any / all applications / proposals / offers without assigning any reason. Having called for EOI does not put an obligation on HPCL to send RFQ to all or some or any of the parties.

Dated , 28th Dec-2006

**O/o GM – Spl. Assignment
HPCL – Visakh Refinery.
Visakhapatnam**