



BHAGYANAGAR GAS LIMITED
(A JOINT VENTURE OF HPCL & GAIL)

BID DOCUMENT FOR

**Tender for Engagement of Consultant for
Business Process Re-Engineering.**

**UNDER LIMITED DOMESTIC
COMPETITIVE BIDDING**

Bid Document No.: BGL/553/2022-23

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SPECIAL CONDITIONS OF CONTRACT (SCC)

SPECIAL CONDITIONS OF CONTRACT

1.0 GENERAL:

- (i) The SCC should be read in conjunction with GCC, Scope of Works and SOR of the Tender Document.
- (ii) Where any portion of the GCC is repugnant to or at variance with any provisions of the SCC then, unless a different intention appears, the provisions of the SCC shall be deemed to govern the provisions of the GCC, and SCC shall prevail to the extent of such repugnancy, or variations exist.
- (iii) In the Contract documents, unless otherwise stated specifically, the singular shall include the plural and vice versa wherever the context so requires.
- (iv) Notwithstanding the sub-division of the Contract documents into separate sections and volumes every part of each shall be deemed to be supplementary to and complementary of every other part and shall be read with and into the Agreement so far as it may be practicable to do so.
- (v) All headings, subtitles and marginal notes to the clauses of the GCC, SCC or to the specifications or to any other part of Bid Document are solely for the purpose of giving a concise indication and not a summary of the contents thereof, and they shall never be deemed to be part thereof or be used in the interpretation or construction thereof.

2.0 ORDER OF PRECEDENCE:

In case of an irreconcilable conflict amongst "General Conditions of Contract", "Special Conditions of Contract", "Scope of Work" or "Price Schedule / Schedule of Rates (SOR)", the following shall prevail to the extent of such irreconcilable conflict in order of precedence:

- (i) Letter of Acceptance / Contract Agreement.
- (ii) Fax / Letter of Intent / Fax of Acceptance.
- (iii) Instructions to Bidders.
- (iv) Special Conditions of Contract.
- (v) Scope of Work.
- (vi) General Conditions of Contract

3. Contract Period and Completion Schedule

The contract period for the Job shall be eighteen months from the date of Notification of Award. It is expected that the project shall be carried out the following major phases:

1. Diagnostic Phase
2. Assessment Phase
3. Implementation Phase

3.1. Diagnostic Phase: 0 - 4 months

- a) Presentation to BGL Management on the plans for executing the Business Plan exercise along with methodology used for different analyses, Schedule of different activities, etc. - within 2 weeks from placement of Work Order.
- b) Presentation to BGL Management and submission of Draft Consolidated Report of the BGL Business Plan for medium and long term, comprising of the study and analyses of all aspects mentioned above, is to be provided in editable soft as well as in hard format. Calculation sheets and details of all supporting data are to be provided in editable soft as well as in hard format - within 14 weeks from placement of Work Order.
- c) Construction of baseline and Hypotheses: Survey and obtaining details of existing operations and processes.
- d) Opportunity/ Benefit identification and evaluation: identifying potential opportunities and evaluating and quantifying opportunity.
- e) Identify specific and operational initiatives that need to be implemented to realize the / potential Benefit.
- f) Evaluation of initiatives / Proposal from technical feasibility perspective
- g) Identification of Quick-win Benefit.
- h) Identification of risk areas, if any. Report on risk-benefit analysis.
- i) Roll-out wave for Project Profit Maximization
- j) Submission of Final Consolidated Report of the BGL Business Plan for medium and long term, comprising of the study and analyses of all aspects mentioned above, is to be provided in editable soft as well as in hard format. Final Calculation sheets and details of all supporting data, along with their Summary reports, are to be provided in editable soft as well as in hard format - within 18 weeks from placement of Work Order.

3.2 Assessment Phase: 4 - 8 months

After completion of the above-mentioned assignment of Preparation of Medium Term (4 to 5 Years) and Long Term (8 to 10 years) Business Plan of Bhagyanagar Gas Limited, certain developments may warrant a detailed discussion and analysis to reach a probable conclusion on some specific topic(s) emanating out of the developed Business Plan. BGL shall identify such topic(s) and share a brief covering the expectations, if any. Consultant will be required to critically analyse the development and submit a report with alternative solutions and finally make a detailed presentation to the senior management on the subject. Further for implementation of relatively new or complex initiative(s), suitable hand holding by consultant may also be required.

Consultant shall submit the estimated man-hours to Engineer-in-Charge (EIC) of BGL, based on the detailed scope of work provided by BGL for each individual assignment/ handholding required. Man-hours (with classification of level as Partner/ Director/ Principal (minimum experience of more than 15 years) &/OR Sr. Consultant (minimum experience of more than 10 years) &/OR Team Member (minimum experience of more than 3 years)] shall be mutually agreed between BGL & Consultant before proceeding of the work and shall be paid at the rate of man-hour rates specified in Schedule of Rates. BGL shall not be responsible for payment regarding any additional Man-day deployment apart from mutually agreed man-hours for each assignment.

This should cover the final assessment of the executable Benefit after diagnostic study and getting it technically and financially vetted by BGL's designated representatives.

Opportunity prioritization – Identification and implementation of Quick win ideas for implementation based on mutually agreed terms and conditions. Sign offs on the key areas identified.

1. Developing Detailed implementation plan/roadmap
2. Detailed design of templates for initiatives – developing design blueprint for each of the identified opportunity areas.
3. Validating designs with stakeholders
4. Identifying risk areas, if any.
5. Quantifying Benefit.
6. Quantifying investment required, if any, to realize the Benefit.

The total time period for the Diagnostic phase and Assessment phase should not exceed 8 months. The payment for the executed work shall be made for the number of man-hours utilized for the individual assignment and certified by the EIC.

3.3 Implementation Phase: 8-18 months

- a) Consultant shall provide specification for materials and equipment if any to be installed in the facility for individual projects
- b) During implementation stage, the Consultant will provide assistance of specialist to handhold through implementation, Commissioning and Sustainability
- c) Implementation of all initiatives
- d) Validating improvement levers with key stake holders
- e) Realizations of the ideas implemented.

4 Time Schedule

- a) The time period for completion of various phases of the study is as follows:

Sr. No.	Description	Time Line
Diagnostic Phase		
1.	Consultant to mobilize its team and initiate the work with Kick off meeting	01 week from the date of Work Order
2.	Submission of draft baseline and idea report by the consultant	02 months from date of Work Order
3.	Submission of final report by the consultant incorporating the changes in the draft	03 months from date of Work Order
Assessment Phase		
4.	Opportunity prioritization – Identification and implementation of Quick win ideas	05 months from date of Work Order
5.	Developing detailed implementation plan / roadmap; design blueprint for each identified opportunity areas; validating designs with stakeholders	06 months from date of Work Order
6.	Identifying risk areas; quantifying Benefit, investment required, if any, to realize the Benefit.	07 months from date of Work Order
Implementation Phase		
7.	Implementation Phase Part 1	Part 1 – Realization of Quick-Win Benefits of at least Rs. 30 Crore within 6 months from date of Work Order.

Sr. No.	Description	Time Line
8.	Implementation Phase Part 2	Part 2 – Realization of other Benefits of at least Rs. 70 Crore within 18 months from the date of Work Order

The baseline for the purpose of this study will be the operating performance of the BGL pipeline network, CGS, etc. / equipment prior to commencement of the Project. Operating data of the BGL pipeline network, CGS, etc. / equipment / process will be supplied by the concerned process owner to consultant in the standard formats provided by the consultant before commencement of the project for the identified individual BGL pipeline network, CGS, etc. / equipment / process. The baseline data may be reviewed by consultant and agreed by respective BGL pipeline network, CGS, etc. / equipment / process owner. Actual period for fixing Baseline and savings will be agreed between respective process owner and consultant. It may be noted that at each business unit / department / BGL pipeline network, CGS, etc., many initiatives are continuously being taken for performance improvement. Such initiatives which have commenced, been approved or are under active consideration will be communicated to the Consultant prior to the commencement of the Study at each Business Unit / Department. The economic impact of these initiatives will be adjusted in the baseline in a mutually agreed manner. Improvements suggested by consultant to any specific business unit / department / plant initiative that leads to extra Benefits (over and above Benefits already identified by the business unit / department / BGL pipeline network, CGS, etc.) will be given due weightages towards Consultants' Demonstrated Net Benefits commitment.

- b) Completion of the Project shall be considered to have been achieved on realization of minimum benefits of Rs. 100 Crores. In case the completion is not achieved in 18 months or if proposed increase in profit is beyond Rs. 50 Crs, BGL at its sole discretion may extend the contract period beyond 18 months, up to 24 months without any prejudice to the Terms and Conditions of the Tender Document.

5 Deliverables

The deliverables for each of the levers are as mentioned below:

5.1 Optimizing the Corporate Governance Framework

- Reviewing and revisiting the mission and vision statement of the company and suggesting revised statement to best in industry.
- Reviewing, revisiting and drafting the SOP for the intra department operation and inter department operations, all other operations as best in industry practice.
- Reviewing, revisiting and drafting the power for the intra department operation and inter department operations, all other operations as best in industry practice.
- Review the corporate hierarchy structure and suggesting the best practice as per best industry practice.
- Review the corporate hierarchy structure and suggesting the best practice as per best industry practice.
- Suggesting the best practice for functionality of employee grievance cell as per best industry practice.

- (g) Suggesting the best practice for functionality of women harassment cell as per best industry practice.
- (h) Suggesting the best practice for selection of legal firm as per best industry practice.
- (i) Suggesting the best practice for legal cell as per best industry practice.
- (j) Suggesting and drafting the best employee training programs as per in best industry practice and their frequency and certification.
- (k) Suggesting the best industry process of filing initiation, file movement, filing methodology, file colour, file nos. etc. for the documents generated.
- (l) Suggesting the best industry practice for monitoring the employee performance, attendance, reporting, etc.
- (m) Suggesting best practice and draft for the BGL Annual report.
- (n) All other mentioned in SOW

5.2 IT System

- (a) Suggesting the best IT platform as per BGL requirement on short term, midterm and long-term requirement.
- (b) Suggesting the best practice for implementation of IT platform.
- (c) Suggesting the best practice for MIS system as per in best industry practice and their frequency.
- (d) Suggesting the best IT platform for billing purposes, daily project and O&M activity, C&P, Finance, HR, HSE, etc. as per best in industry practice.
- (e) Suggesting the best IT platform for knowledge management system, database management system, data repository, etc. as per best in industry practice.
- (f) Suggesting the best IT platform for manpower management system as per best in industry practice.
- (g) All other mentioned in SOW.

5.3 Gas Sourcing, Sales / Pricing

- (a) Report on the process improvements in gas sourcing and sales volumes
- (b) Alternative gas sourcing strategy by analyzing the impact on yield of both price and quality of various sources of gas (APM / LNG / Spot / PMT etc).
- (c) Codify knowledge of local market price setting mechanism to help management improve gas pricing
- (d) optimum pricing methodology of each segment
- (e) working and derived cost of per unit in each segment each GA
- (f) Any other as per BGL requirement, if required.
- (g) All other mentioned in SOW

5.4 Marketing and Sales / Trading of CNG, PNG and Allied Services

- (a) Adopting best practices and industrial benchmarks and identify areas in PNG and CNG to improve penetration and conversion.
- (b) Business planning CNG and PNG segments i.e. domestic, industrial and commercial.

- (c) Pricing and discount management practices to improve profitability.
- (d) Key account management strategies.
- (e) SOP, best industry practice,
- (f) All other mentioned in SOW

5.5 CRM of CNG, PNG and Allied Services

- (a) Adopting best practices for billing and billing process for CNG and PNG segments i.e. domestic, industrial and commercial.
- (b) Adopting best practices for bill/invoice format for CNG and PNG segments
- (c) Adopting best practices for billing and billing process to reduce the bed debts to minimal level.
- (d) Adopting best practices for customer complaint handling process for PNG and CNG as per defined regulation by regulator i.e. PNGRB.
- (e) Adopting best practices for customer complaint handling matrix for PNG and CNG.
- (f) Adopting best practices for customer complaint handling matrix for PNG and CNG.
- (g) All other mentioned in SOW

5.6 Optimizing Finance & C&P Operations

The consultant shall also look at the opportunity areas in Finance, HR & C&P functions in BGL. This includes study of existing policies and procedures and suggestion on latest industry benchmarks. Identifying potential areas for implementation of Profit maximization opportunity in entirety.

This would entail the following:

- (a) Reviewing and optimizing all aspects of costing
 - i. Conduct analysis of the entire aspects of costing.
 - ii. Identify ideas/opportunities for optimizing costs.
 - iii. Recommend changes in enabling processes etc. that would facilitate implementation of Ideas / opportunities suggested above.
 - iv. Conduct analysis of the entire aspects of taxation on various product and its optimization.
- (b) Treasury operations and overhead expenses
 - v. Understand the current finance/treasury related operations, including borrowing, short term investments etc.
 - vi. Identify improvement ideas/opportunities and recommend changes in enabling processes etc. that would facilitate implementation.
 - vii. Examine and identify the areas of minimization of overhead expenses for cost reduction.
 - viii. Identify potential hedging opportunities.
- (c) Contracts & Procurement
 - ix. Review of existing Contract and procurement procedures including contract documents, important clauses. Procurement and inventory planning.
 - x. Study and review as –is procedure followed at BGL and suggest best practices adopted for Spares Procurement, Inventory Optimization. Inventory aging, stock levels, etc. and redrafting if required as per best industry practice.
 - xi. Current vendor scoring and relationship management.

- xii. Review current procurement spend and identify areas and means to optimize spend.
- xiii. Suggestion on implementation of identified areas
 - (d) All other mentioned in SOW

5.7 Others

- (a) All deliverables as per BGL requirement as per SOW.

6 Overall Deliverables

- (a) Baseline report
- (b) Report on assessment of potential Benefit
- (c) Schedule of implementation of Quick wins and mid-term initiatives
- (d) Report on Cost benefit analysis
- (e) Report on identified and agreed improvements areas,
- (f) Sign offs for implementation plan and mutually agreed quick wins
- (g) Preparation of Charters and Roadmaps for Project.
- (h) Implementation plan for suggested initiatives.
- (i) Calculation of cost benefit analysis and submission of final cost benefit analysis report for each idea.
- (j) Consultant shall give monthly progress report of PPM to BGL. Further, presentation on project shall be provided to Task Force Members on monthly basis and to Top Management on Quarterly Basis.

7 Terms of Payments

The lump sum charges (fee) quoted by the bidder and agreed / finalized by BGL for award of contract shall be considered having two components for achieving minimum increase in profit as per Incentive in clause 10:

Fixed portion covering deployment of resources, overheads etc: 25% of agreed amount

Variable portion linked with profit increase achieved: 75% of agreed amount

The Consultant shall submit Invoice to Engineer-In-Charge as per the payment terms and payment to consultant shall be based on the certification by the Engineer in Charge. The payment shall be made within 15 days of receipt of Invoice duly certified by the Engineer in Charge and with complete supporting documents.

Payment will be released as per the following table:

- i) **Payment for Fixed Portion (25% of lump sum as finalized as per SOR):**

Milestone / Diagnostic Phase	Timeline (from date of Work Order)	Payment on completion of milestone
Mobilization of team and Kick off meeting	01 week	

Milestone / Diagnostic Phase	Timeline (from date of Work Order)	Payment on completion of milestone
Submission of draft baseline & idea report	02 months	10% of total order value including tax
Submission of final report	03 months	10% of total order value including tax
Assessment Phase		
Identification and implementation of Quick win ideas	04 months	
Developing detailed implementation plan; validating designs with stakeholders	05 months	15% of total order value including tax
Identifying risk areas; quantifying Benefit, investment required to realize the Benefit.	06 months	15% of total order value including tax
Implementation Phase		
Implementation Phase Part 1	Realization of Quick-Win Benefits of at least Rs. 75 Crore.	20% of total order value including tax
Implementation Phase Part 2	Realization of other Benefits of at least Rs. 25 Crore.	Balance Contract Value shall become payable on proportionate basis on Realization of Benefit amount of at least Rs. 50 Crore.

ii) Incentive

In case the profit realized by the consultant is more than the INR 100 crores during the tenure of this contract, additional amount as incentive shall be payable to the consultant on the incremental amount above INR 100 crores as per following:

- For increase in profit beyond minimum Rs. 100 Crores envisaged in the tender, additional charges to the consultant will be paid as per below formula:
- Above Rs. 100 Crores and up to Rs. 125 Crores: @8% of incremental value
- Above Rs. 125 Crores and up to Rs. 175 Crores: @10% of incremental value
- Above Rs. 200 Crores: @15% of incremental value

iii) Deployment of team lead and Minimum no. of specialists

Consultant is required to deploy at least 1 Team Lead having minimum experience of 15 years, 1 Domain Expert having minimum experience of 15 years, 5 Specialists i.e. at least 1 specialist for each of the 5 levers, each having more than 8 years of experience for Corporate Governance, IT system, Gas sourcing, sales / trading; Energy and fuel cost analysis, O&M cost and CGD installations and network (minimum 1 each for 3 levers) and 6 years of experience for Treasury / cost structure / overheads, C&P, inventory and F&S, HR, Finance and other operations (minimum 1 each for 2 levers). Consultant shall deploy adequate no.

of personnel/ experts, as may be required to achieve the completion of project and targeted benefit of Rs. 100 Crore during the contract period at BGL office/Hyderabad as per BGL requirement.

iv) Baseline Data Preparation

To be jointly agreed upon within a period of 3 months. Any improvement shall be measured w.r.t. baseline data.

Any initiative which is already commenced / approved / or under active consideration of BGL management, no consideration will be given to the consultant and same shall be excluded by BGL, if proposed by the consultant. The decision of BGL senior management / nominated committee will be final in this regard. A mutually agreed pre-defined format will be circulated to all concerned users / departments on or before kick-off meeting to capture such details with BGL.

v) Guidelines / Others:

- (a) Consultant shall be responsible to collect data required for preparation of report.
- (b) Consultant shall nominate a single person which shall be the nodal point for all communication to be sent by BGL to the Consultant. BGL shall also nominate an Engineer-in-Charge for the tendered project work.
- (c) A team of experienced senior BGL personnel may be formed for successful timely implementation of identified and agreed ideas. Further, BGL will nominate cross functional task force and site teams for overall execution of the project.
- (d) The Consultant shall perform their obligations conforming to rules, regulations and procedures prescribed by law.
- (e) The Consultant shall perform the work under this contract with diligence and conforming to the best international practices available in this area. The work should be original and in line with BGL business philosophy by incorporating the consultants niche research capability & experience.
- (f) There may be minor changes in scopes during the implementation of the project. The consultant shall not be entitled for extra payment for the same.
- (g) As explained in the BQAS parameter of the tender, Partner/ Director/ Principal and team members to be deployed in every assignment are required to have relevant experience as per the details submitted in BQAS parameter table. Partner/ Director/ Principal shall lead the assignment along with the team of consultants.
- (h) Before submitting final deliverables, the Consultant will convince BGL regarding the quality of the deliverable through presentations, draft reports, facts and figures, business case demonstration etc. and incorporating BGL comments prior to submit the final version of the same deliverable as per the defined timeline of scope of work. BGL shall not be responsible for any delay of submission of any deliverable from the Consultant due to not meeting the desired quality.
- (i) The Consultant shall submit all the detailed supporting documents, models, calculation, methodology, assumptions along with the deliverables in soft copy as well as hard copy.
- (j) The Consultant may be asked to make presentations and provide additional information and data to the BGL management to demonstrate their views.

- (k) Any activity required to be carried out for completion of the assignment though not specifically mentioned in the tender document shall be carried out at no extra cost to BGL.
- (l) At the time of execution of job, if any member from the submitted list of team members including Partners/ Director/ Principal is unavailable, the bidder shall arrange other similar qualified team member.

8 Obligations of BGL

The obligation of BGL is as follows:

- (a) BGL will provide the necessary documents / information which may be required during the project to the consultant to meet the objectives.
- (b) BGL shall nominate a Task Force members and Site-Teams that will be responsible for the overall execution of the project.
- (c) The concerned Task Force Member(s) and Site Teams in consultation with the respective Departments will interact with consultants and contribute, as and when necessary for successful completion of the project by the Consultant.
- (d) The Task Force member(s) in consultation with Site-Teams will sign off the report submitted by the consultant for implementation in respective department.

9. DEDUCTION AT SOURCE:

- 1) Owner will release the payment to the Consultant after effecting deductions as per applicable law in force.
- 2) Owner will release payments to the Consultant after offsetting all dues to the Owner payable by the Contractor under the Contract.

10. TAXES & DUTIES

Bidder shall be entirely responsible for scope of work, all taxes, GST, license fees, freight, Insurance, any other duty on services or any other tax payable and/ or other levies etc. imposed by Central, state, municipal and local law and regulatory agency or authority including loading and unloading at BGL store. The rate in SOR is inclusive of all the above referred taxes/duties as defined in the tender document.

Any statutory variation in GST within the contractual period for the SOR items shall be to BGL's account. However, in case the contractual completion period gets extended for reasons solely attributable to contractor, the statutory variation shall be limited to contractual completion period only.

11. TERMINATION FOR INSOLVENCY

The Purchaser, may at any time, terminate the Contract by giving written notice to the Contractor, without compensation to the Contractor, if the Contractor becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

12. TERMINATION FOR OWNER'S CONVENIENCE

The Owner, by written notice sent to the Consultant, may terminate the Agreement, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Owner's convenience, the extent to which performance of the

Consultant under the Agreement is terminated, and the date upon which such termination becomes effective.

BGL reserves the right to award the contract for a shorter duration than the specified or foreclose it with adequate advance notice not less than 30 days due to change in its business requirement.

13. **CONTRACT PERFORMANCE GUARANTEE:** Contract Performance Guarantee (CPBG)/CONTRACT PERFORMANCE SECURITY (CPS) IS NOT APPLICABLE.

SECTION – 8

SCOPE OF WORK

SCOPE OF WORK:

Objective:

Consultant shall formulate the Bhagyanagar Gas Limited's (BGL) Business Plan for the Medium Term (4 to 5 Years) and Long Term (8 to 10 years) with a focus on CGD activities as well as other allied business opportunities that could be undertaken by BGL independently or through its Joint ventures in various cities of India, with an eye on overall competitive business scenario. The following shall be the specific requirements for BGL Business Plan development. However, these shall not be the limiting factor in developing the Business Plan.

The broad scope of work will also entail driving profitability improvements in all core business segments of BGL and building the infrastructure capability to make it sustainable in the long term. The drive for profitability increases will be two-pronged viz. though improved revenue levels through higher productivity and price realizations on one hand and reduced operating overheads & marketing costs on the other hand. An aligned objective is to review/set the operations of the Company with industrial best practices / benchmark / Standards wherever applicable.

The project envisages the Benefit (Increase in Profit and Reduction in Costs) of minimum Rs. 100 Crores within 18 months period. This will be in the form of Quick-Win Benefits of at least Rs. 30 Crores to be realized within 6 months of the start of the project with almost negligible investment and at least another Rs. 70 Crores in next 12 months with minimal investments.

The broad scope of work shall include but not limited to the following:

CGD Business Evaluation

1. Assessment of potential of CGD market in India in the Medium (4 to 5 Years) and Long Term (8 to 10 years) periods.
2. Competitive landscape analysis to create a view on the key players in the CGD business, their strengths and weaknesses.
3. Review the existing business portfolio of BGL.
4. Review the target market for BGL products, demand-supply scenario, other commercial aspects including taxation aspects, new revenue and marketing schemes based on current progress, Financial Appraisal Report (FAR) and any other secondary data source pertaining to existing BGL. Requisite data regarding present progress, & FAR of existing BGL GA's shall be provided by BGL.
5. Assessment of the impact of emerging technologies (such as electric vehicles, retail LNG, solar and other renewables, CBG etc.), BS-VI compliant fuel on CGD business as a whole.

SWOT Analysis of Bhagyanagar Gas Limited

1. Prepare a detailed SWOT (Strength, Weakness, Opportunities & Threat) analysis of BGL (considering current businesses and future business opportunities).
2. Establishing Business Profile & Review of current Project as well as assess future growth potential
3. Based on evaluation of overall CGD market & Business along with engagements with BGL Management, create an overall aspiration for BGL in terms of its financial position (Revenue, EBITDA, ROCE etc.), gas volume marketed and size of core and non-core businesses in the Medium (4 to 5 Years) and Long Term (8 to 10 years) periods through secondary research and

with the help of current information available in public domain as well as internal BGL database (if any).

4. Consultant shall be conducting Gap analysis by reviewing and analysing the existing operations, past financial and project performance parameters vis-à-vis respective Detailed Feasibility reports and Financial Appraisal reports, and identify the key areas of improvement.
5. Consultant shall submit a Peer group comparison (amongst the leading CGD Companies including BGL) based on secondary data.
6. This exercise for development of Business Plan for BGL should answer question related to “Where to Play” (Which GA’s, Gas applications, businesses and customers etc. should be targeted), and broader outline on “How to Play” (regulatory interventions, capabilities, business/ revenue model).

In the current market of natural gas in a fast-developing economy like India, it is imperative to have continuous endeavour to improve the operating performance of the installed systems / equipment / network with excellence at par with world class levels by adopting best international operating practices meeting international benchmarks or other benchmarks (wherever available) in all those units and areas having a bearing on profit margin (through higher revenue or lower costs). Project is expected to improve sustained operational performance by inter alia making operational and process changes where required, optimizing energy and utility consumptions, better maintenance & inspection techniques with existing facilities and minimum capital expenditure.

Practical application of consultant’s proven methodologies, models, techniques, processes and practices, advices of consultant’s experts in respective levers are expected to improve profitability margins on sustained basis.

Levers For Profit Maximization

As part of this Project, the Consultant shall cover but not limited to the following identified Levers:

1. **Corporate Governance Framework:** To inter alia improve management functionality in respect of Long-term/ Mid-term and Short-term goals of organization.
2. **IT system:** To inter alia adoption and improvement of best IT system in industry as in line with Long-term/ Mid-term and Short-term goals of organization.
3. **Gas sourcing and Pricing:** To inter alia improve gas sourcing in respect of Long-term/ Mid-term and Short-term demand in order to increase transportation and gas sales volumes and profitability.
4. **Marketing and sales:** To inter alia improve marketing business planning, customers’ segmentation, customer acquisition as per segmentation, pricing strategy, discount and logistics management practices etc. to increase per unit realization and profits.
5. **Optimizing Finance, C&P Process and Costs:** To inter alia assess potential optimization opportunities in Finance (Treasury etc.), C&P practices and inventory management, reduce costs and overhead expenses through process improvement etc.

Detailed Scope of Work

The scope of the project is the identification and prioritization of Revenue / profit maximization, cost reduction opportunities, achieving higher operational efficiency on sustained basis, performance improvements, value added services and Diversification areas with or without low capital investments, including hand holding during the implementation phase.

In order to achieve the broad objectives as enumerated above across each of the Levers, inter-alia the following activities (but not limited to) are envisaged in the scope of the Consultant:

1. Analyze, current operations, identify and make recommendations to optimize current process / operations
2. Basis of Benchmarking in the 5 levers, providing the benchmarks for corporate governance function and their implications on profitability.
3. Quantifying the Benefits (Increase in Revenue with same asset base/ Profit and reduction in Costs)
4. Develop processes to achieve the Benefits and sustain improvements
5. Diversification areas in view of latest changes in business environment
6. "How to Play"

Optimizing the Corporate Governance Framework

- a) Revisiting the segments agreement, Joint Venture Agreement, AOA, service agreements, etc. for optimization, redrafting and recommending the best practices, if required including legal vetting of these.
- b) Reviewing oversight of the company's performance and the contribution to corporate success from the Board of Directors in the context of the company's strategic goals and objectives
- c) Suggesting the relationship of the Board with the Management of the company
- d) Suggesting the appointment and performance of the Directors
- e) Suggesting the board membership, conduct, operations and performance
- f) Suggesting the ethical tone for the organisation and the transparency of its conduct
- g) Suggesting the effective oversight of risk management, corporate compliance and the integrated framework of internal controls
- h) Suggesting the communication, reporting and information flows between the Board and management
- i) Suggesting the communication with and protecting the rights and interests of shareholders and all other stakeholders
- j) Suggesting the division of responsibility between the Board and management
- k) Suggesting the reliability of financial reporting, both internal and external.
- l) Suggesting and drafting the governance documents such as the replaceable rules, a constitution, a trust deed or the rules of the association, depending on the Enterprise (Governance Documents)
- m) Suggesting and drafting the statutory duties that apply to Enterprise Controllers
- n) Suggesting and drafting Operational Governance of the Enterprise as:
 - Compliance with a range of industry specific legislation; and
 - Compliance with general statutes that impose obligations on all Enterprises.
- o) Suggesting and drafting the Enterprise Structure Governing Documents, securities on issue

- p) Suggesting and drafting the Enterprise Corporate Structure, defining the duties, responsibilities and evaluation performance matrix of different level of employees.

IT System

- a) Suggesting the best IT platform as per BGL requirement on short term, midterm and long-term requirement.
- b) Suggesting the best practice for implementation of IT platform.
- c) Suggesting the best practice for MIS system as per in best industry practice and their frequency.
- d) Suggesting the best IT platform for billing purposes, daily project and O&M activity, C&P, Finance, HR, HSE, etc. as per best in industry practice
- e) Suggesting the best IT platform for knowledge management system, database management system, data repository, etc. as per best in industry practice
- f) Suggesting the best IT platform for manpower management system as per best in industry practice.

Gas Sourcing and Pricing

To achieve the Objective the consultant should study and evaluate the potential opportunity for optimizing the sourcing and sales through short-term/mid-term/long-term contracts from different sources like APM, LNG, NAPM, Spot etc. This would inter alia entail the following:

- a) Understanding 'as-is' planning process and procurement schedule
- b) Developing a systematic process for calculating gas requirement to be purchased under different contracts
- c) Developing a systematic process of demand forecasting; contracting (take and pay charges); suggesting solution for implementing it in SAP ERP.
- d) Suggesting strategic sourcing methodology for short-term, mid-term and long-term contracts.

Marketing and Sales of CNG, PNG and Allied Services

BGL intends to improve its presence and over profitability in these areas. The consultant shall create market strategies to achieve these objectives. This would inter alia entail the following:

- a) Adopting best practices for awareness program, advertisement methodology, branding of BGL and social media advertisement in BGL GA's for promotion of natural gas.
- b) Adopting best practices and industrial benchmarks and identify areas in PNG and CNG to improve penetration and conversion.
- c) Business planning CNG and PNG segments i.e. domestic, industrial and commercial.
- d) Pricing, Taxation and discount management practices to improve profitability.
- e) Key account management strategies.
- f) Discounts to various section
- g) Billing process
- h) Any other best of industry practice to improve the penetration and conversion.

CRM of CNG, PNG and Allied Services

- a) Adopting best practices for billing and billing process for CNG and PNG segments i.e. domestic, industrial and commercial.

- b) Adopting best practices for bill/invoice format for CNG and PNG segments
- c) Adopting best practices for recovery process to reduce the bad debts to minimal level.
- d) Adopting best practices for customer complaint handling process for PNG and CNG as per defined regulation by regulator i.e. PNGRB.
- e) Adopting best practices for customer complaint handling matrix for PNG and CNG.

Optimizing Finance & C&P Operations

The consultant shall also look at the opportunity areas in Finance, HR & C&P functions in BGL. This includes study of existing policies and procedures and suggestion on latest industry benchmarks. Identifying potential areas for implementation of Profit maximization opportunity in entirety.

This would entail the following:

- a) Reviewing and optimizing all aspects of costing
 - i. Conduct analysis of the entire aspects of costing.
 - ii. Identify ideas/opportunities for optimizing costs.
 - iii. Recommend changes in enabling processes etc. that would facilitate implementation of Ideas / opportunities suggested above.
 - iv. Conduct analysis of the entire aspects of taxation on various product and its optimization.
- b) Treasury operations and overhead expenses
 - i. Understand the current finance/treasury related operations, including borrowing, short term investments etc.
 - ii. Identify improvement ideas/opportunities and recommend changes in enabling processes etc. that would facilitate implementation.
 - iii. Examine and identify the areas of minimization of overhead expenses for cost reduction.
 - iv. Identify potential hedging opportunities.
- c) Contracts & Procurement
 - i. Review of existing Contract and procurement procedures including contract documents, important clauses. Procurement and inventory planning.
 - ii. Study and review as –is procedure followed at BGL and suggest best practices adopted for Spares Procurement, Inventory Optimization. Inventory aging, stock levels, etc. and redrafting if required as per best industry practice.
 - iii. Current vendor scoring and relationship management.
 - iv. Review current procurement spend and identify areas and means to optimize spend.
 - v. Suggestion on implementation of identified areas

Others

- a) Key points to be addressed in “where to play”
 - ❖ Value-added services
 - For the existing customers, identify products and services that can be offered to generate additional revenue streams. For domestic customers, evaluate the potential of providing value added services like appliance maintenance and repair services etc.

- For automotive customers, identify the non-fuel sales that can be targeted at CNG Stations such as repair services, retro fitment, retails store, restaurants etc.
 - Exploring the business feasibility of providing value added services like broadband/ IP services to households through optical fibers along the CGD pipeline grid etc.
 - Any other Value-Added service that can be provided to existing customers (Industrial/ Commercial/ Domestic/ Automotive etc.)
- ❖ Existing Gas
- For existing Gas authorized to BGL, study current reach of pipeline network and identify high potential regions which can be connected to unlock growth. The consultant shall identify the GA's contiguous to BGL current GA's and explore the business opportunity therein. Data pertaining to existing FAR w.r.t the concerned GA's shall be provided by BGL. Consultant shall suggest low-cost model for establishment of CNG/ LCNG stations for quick penetration in the market. Consultant shall suggest mechanism for Creating CGD infrastructure in Public-Private Partnership (PPP) model. Possibility of induction of strategic partner/ investor. Necessary inputs as available with BGL shall be provided to consultant for this study/ report.
 - The Consultant shall define priority between different GA's where BGL should invest its efforts/ capital in order to accrue maximum returns in a given time period.
- ❖ Greenfield Gas sectors for faster monetisation based on some parameters which can be mutually finalized by BGL.
- ❖ Diversification areas
- Identify diversification areas which are completely new BGL/Beyond BGL current business
 - Assess the potential of new opportunities for BGL within the retail energy sector which are high on both attractiveness (revenue potential, profitability & ROCE) and feasibility (fit with strengths, competition, and market entry options).
 - Consultant shall be providing a broad market overlay on all the diversification areas mentioned in this clause.
- ii. Major diversification areas presently identified internally (by BGL) are:
- Trigeneration/ Cogeneration systems
 - Heavy-duty trucks on LNG / Virtual gas penetration
 - through retail LNG (LNG and L-CNG stations)
 - Any other LNG/ gas-based business areas.
 - EV charging/ Battery Swapping infrastructure
 - Gas appliance/ Gas Meter/ MDPE Pipe manufacturing
 - Compressed Bio Gas (CBG)
 - Evolution of Hydrogen as a fuel including options like HCNG/
 - Hydrogen Fuel Cell.

- Rooftop Solar on CNG Stations/ Office Spaces/ Stores building etc.
- a) Consultant to recommend top 5 areas for diversification supported by revenue model and impact on profitability. In addition to the above, consultant may indicate other diversification areas also.
- b) Key questions to be answered in “how to play”
 - iii. Regulatory and advocacy
 - Suggest regulatory and advocacy requirements for identified business area(s).
 - Effective tools & mechanisms to increase penetration in all customer segments domestic, commercial, industrial and auto.
 - - Sales / marketing / channels (Marketing channel strategy to be recommended for BGL at a company level and at a GA Level)
 - Identify right mix of marketing channels to reach customers
 - (Industrial/ Commercial/ Domestic/ Automotive) in a cost-effective manner e.g. DMAs, advertising strategy etc.
 - Recommend the most optimum sales force sourcing method for CGD in-house or outsourced or dealership or franchise model etc.
 - Explore the feasibility of advanced financing and marketing CNG
 - Conversion kits through innovative plans such as “pay us you save”
 - Recommend potential partnerships and joint marketing programs to boost CNG demand e.g. partnerships with CAB aggregators.
 - Any other partnership suggestions for boosting up revenue.

c) Organization

Broadly explore the Pros and Cons of reverse- Merger with its Parent Company and its impact on BGL.

iv. Financing

- Recommend various financing options including sourcing of cheaper funds for development of CGD business, other than from GAIL(India) and HPCL equity.
- Broadly explore the Pros & Cons for listing of BGL in the stock exchange.

d) Others

- i. Reviewing and revisiting the mission and vision statement of the company and suggesting revised statement to best in industry.
- ii. Reviewing, revisiting and drafting the SOP for the intra department operation and inter department operations, all other operations as best in industry practice.
- iii. Reviewing, revisiting and drafting the DOP for the intra department operation and inter department operations, all other operations as best in industry practice.
- iv. Review the corporate hierarchy structure and suggesting the best practice as per best industry practice.
- v. Suggesting the best practice for functionality of employee grievance cell as per best industry practice.
- vi. Suggesting the best practice for functionality of women harassment cell as per best industry practice.
- vii. Suggesting the best practice for selection of legal firm as per best industry practice.
- viii. Suggesting the best practice for legal cell as per best industry practice.

- ix. Suggesting and drafting the best employee training programs as per in best industry practice and their frequency and certification.
- x. Suggesting the best industry process of filing initiation, file movement, filing methodology, file colour, file nos. etc. for the documents generated.
- xi. Suggesting the best industry practice for monitoring the employee performance, attendance, reporting, etc.
- xii. Suggesting best practice and draft for the BGL Annual report.

e) Implementation plan

- i. The objective of this module will be to lay out a broad implementation plan that is bought-in by senior management across departments.
- ii. Detail out the specific sequence of actions required for implementation of each initiative.
- iii. Develop a plan to incorporate the Strategic Initiatives by framing appropriate objective targets and owners.
- iv. The Consultant shall submit necessary calculations, explanations, workings, documents in support of suggestions for improvements for verification, wherever applicable and requested by BGL.
- v. The Consultant will engage adequate number of consultants, Specialists, industry experts for the project. Besides the Team Leader who will be the Consultant's overall in-charge and coordinator with BGL and its Task Force Members (identified by BGL Management) the Consultant shall depute at least One Specialist (with relevant experience in respective Levers having minimum experience of 10 years) for each of the Levers.
- vi. Consultant shall from time-to-time manage and organize awareness programmes about the project to engage BGL personnel at different locations/sites.

SECTION – 9

SCHEDULE OF RATES (SOR)

REFER E-TENDER NO.: BGL/553/2022-23 IN E-
TENDERING WEBSITE /PORTAL -
(<https://petroleum.euniwizarde.com/>)) FOR
SCHEDULE OF RATES



Tender for Engagement of Consultant for Business Process Re-Engineering.

Volume
I of II

Bid Document No. BGL/553/2022-23

Bhagyanagar Gas Limited SCHEDULE OF RATES (SOR)

Financial Bid / Priced Bid

Bid Document ref: BGL/553/2022-23, dtd. 30.07.2022

Item: Engagement of Consultant for Business Process Re-Engineering.

Name of the Vendor										
Sr.	Service Description	Qty.	Unit	HSN/ SAC Code	Unit Rate incl. all taxes & duties excl. GST (Rs.) (in figures)	Unit Rate incl. all taxes & duties excl. GST (Rs.) (in words)	Applicable GST @ ____ % (Rs.)	Unit Rate incl. of GST (Rs.)	Total Amount (inclusive of applicable taxes) (in Rs.) (figures)	Total Amount (inclusive of applicable taxes) (in Rs.) (words)
1	2	3	4	5	6	7	8	9	10	11
1	Professional Fees for the services to be rendered by Consultant as per the scope of consultancy given in the tender document for developing integrated business strategy for Business Process Re-Engineering as per BGL requirement.	1	Lump sum							