

GMR Group Procurement & Contracts Department



Group P&C - SOP **Standard Operating Procedure**

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1. Procedure - Introduction: -

1.1. Purpose: -

This Standard Operating Procedure (SOP) document sets out the procedures to be followed by the Procurement Team of GMR Group Companies and the JVs, in their conduct of operations for the procurement of various material and services from time to time. This SOP will provide guidance to Buyers and Users.

- To guarantee timely delivery of all necessary goods and services as requested (Against a fully released PR) by the user department.
- To facilitate competitive bidding for procurement of materials and services.
- Adopting fair, transparent, and consistent purchasing procedures to facilitate long-term supplier relationships.
- Ensuring sustainability goals are achieved in supply chain.

1.2. The Major objectives for creating this SOP are as follows: -

- Improving the efficiency and effectiveness of the systems and processes for Transactional procurement apart from Standardization
- Vendor Data Creation and Management
- Contracts Management
- Creating Cost database for various Materials and Services
- Conducting Strategic Procurement
- Ensuring required compliances for Tax, HR, and Audit.
- Contribute to Sustainability Development (Environmental, Social, & Economical) in the supply chain.
- Manage risk including opportunities
 - Improving productivity
 - Assessing value and performance
 - Enabling communication with supplier stakeholder
 - Encouraging innovation.

1.3. Scope: -

This Procedure applies to all business units, projects and offices operated within GMR Group and their associates including GEPL, RAXA and GMRVF including subsidiary's and JV's where GMR is lead partner.

This SOP shall be applicable to both CAPEX and OPEX Procurement and shall include the following categories.

- All Materials/ Equipment Supplies
- All Services

- IT Procurement
- Works/ Packages (involving Supply and Services)

1.4. Key Principles: -

The designated Group purchasing function shall process and place all purchase orders in line with this SOP. The only exclusions are PO exceptions or Negative List items which are mostly for release of payments towards utilities like power bills, water supply bills etc. (List of Exceptions is included in 2.7 below).

1.5. Procedure for Amendments to the SOP: -

1.5.1. Procedure for Amendment

The SOP will be reviewed by 1st April 2025 and then every FY by the HODs of the Gr. P&C and suggest improvements/ updates that to be captured in the SOP appropriately with approval from GCPO. If there are any specific requirements in terms of process, changes in laws and/ or other business requirements, the review may be taken up as and when required. While considering change in SOP, supply chain performance with respect to ESG goals and sustainable good practices must be considered.

1.5.2. Numbering of Document

- Document is numbered as follows: Version 1.0/ GMR Group.
- The “Version” number refers to the Procedure, as applicable from time to time.

2. Definitions and Limits: -

2.1. Procurement Planning: -

All the businesses are expected to share details of procurement planned during the year under various heads, expected date of requirement and the indicative costs to the Gr. P&C team (GCPO/ CoE/ Cost Estimation Team) while the Budget/ AOP is prepared. Since the AOP/ Budgets are frozen during Feb/ March of the previous accounting year, the Procurement Planning details are expected to be received by Gr. P&C by 15th March of the year, to enable consolidation of procurement activities.

2.2. Guided buying: -

Procurement through Guided buying will comprise Catalogue Procurement, Rate Contracts/ Outline Agreement (OAs) and Standard rate card for miscellaneous works like labor supply and hire charges of Plant & Machinery (P&M) including operations etc., for better saving in terms of cost and delivery time.

The Rate cards are the rates that are agreed as a fixed percentage towards ‘agency over heads’ over a fixed RATE as per the prevailing market rates (in case of P&M/ other Hire charges) or

minimum wages (in case of labor/ staff engagement). The rates including the agency commission are pre-fixed and the works will be allotted depending upon requirement from time to time.

2.3. Procedure to be followed for 'Single' and 'Two Part' Bidding: -

A. Single Cover/ Envelope Bid: The Technical Evaluation of Bids will be required only if the same is mentioned in the PR. Otherwise the procurement process will be done in line with the specifications mentioned in the PR. However, as per the decision of the Vertical Head of P&C, two tier bid system can be followed for any procurement irrespective of provision in the PR or value/ specification.

As a General Guidance, the following will have Single Cover bids.

- Estimated PR Value up to Rs. 20.0 Lac (INR) excluding GST.
- OEM (Original Equipment Manufacturers) or SSP (Single source procurement)

B. Two Cover/ Envelope Bid: Where the Technical capability or Pre-Qualification (PQ) is important for the delivery of requirement, the tenders are to be floated for two-part bidding with technical capability as Technical Bid and commercial terms as Commercial Bid. However, on a case-to-case basis, the Vertical Head of P&C can decide and approve if waiver is given for Two bid process and same needs to be captured in NFA. As a process, two tier bid system can be followed for any procurement irrespective of value/ specification at the discretion of the Vertical Head P&C.

(a) Two- Envelope bid system is generally implemented for the following.

- Estimated PR Value above Rs. 20.0 Lac (INR) excluding GST.
- All requirements where PQ is included in the PR.

2.4. PO signing Authority: -

The POs are issued through PO Factory in SSC/ Hyderabad in a centralized manner. The PO will be a Smart Form SAP PO and will NOT require any signature. However, for issuing signed Purchase Orders (POs) as required for BCAS approvals, Lender's requirements, or any other business needs, the following signing hierarchy applies:

- For POs of 50 lakhs and above, they should be signed by the business P&C Head OR Vertical Head.
- For POs of less than 50 lakhs, they should be signed by AGM (in case of nonexistence of GM position in same team), GM, Vertical Head OR P&C Head as authorized by the respective businesses.

2.5. Authority to sign Purchase/ Contract related Statutory Document/ Agreements: -

P&C Head or JRL AGM (in case of nonexistence of GM position in same team), GM, & above of respective businesses are authorized to sign the copy of PO & Purchase/ Contract related Statutory Document/ Agreements required by the Vendor for supporting their

documentation including but not limited to High Sea Sales Agreement, Custom Clearing Documents, Road Permit documents, banking purpose, Performance Certification or for any other requirement from the Vendors.

2.6. Purchases made through digital payment without a PO in case of Emergency: -

Purchases or ratification of such cash purchases made through Digital payment, without valid PO, can be made only in case of Emergency and are to be pre-approved (Hard copy/ mail) or ratified by an authority not less than CXO/ Dy. CEO.

- Procurement value less than INR 20K: Digital payment has to be done by user with approval of respective CXO/ Dy. CEO/ CEO
- Procurement value from INR 20K to INR 50K subject to approval by CEO with finance vetting. Payment shall be made against a GST invoice and paid online or by Cheque.
- Procurement value > INR 50K and up to INR 1.0 Lacs: These are to be processed through committee comprising HoD- User/ User/ Finance/ P&C (Business or Gr. P&C) and approved by CEO clearly mentioning the reason(s) that necessitated cash purchases and the mitigation measure to avoid such purchases in future. Payment will be made against a TAX invoice paid online or through Cheque. For all the cases, Tax invoice is to be obtained and processed against a PO in SAP post Purchase for processing the invoice for record and for availing GST ITC where applicable.
- It'll be responsibility of the concerned user HOD/ CXO to provide all supporting docs to concerned Business P&C and get such transaction regularized through regularization PR, NFA & PO by 21 days of invoice. All such transactions will be reported in MIS under the list of post facto cases.

A monthly report of such purchases made in the business are to be circulated to Gr. P&C, Dy. CEO & CEO on monthly basis (1st week of every month) by respective Business Finance department.

2.7. PO Exceptions or Negative List: -

1. Budget provision and/ or approval as per DOP is required.
2. NFA/ approval mail, highlighting the proposed expenditure and/ or certified Invoice to be sent to SSC by user department.
3. Invoice to be certified by user and processed by SSC Finance, directly for payment.

S. No.	Expense Category	Remarks
1	Central and State Government - Regulatory Payments (Only Licenses, Listing Fees, Cess, government fixed Rates & Taxes)	Yes

2	GCMO/ BCMO approved CSR related Expenses	1. If this is direct payments, YES. 2. If this is any activity, PO & Invoices are required in respective Business.
3	Corporate Membership Fee & Subscription of Business, Technical & Commercial e-Magazines/ Magazines	Yes
4	Trainings, Seminars, Participation in Awards, Donation & Contributions to Local Bodies; Advertisement in Newspaper/ Magazines or Souvenirs	Yes
5	Web Hosting Charges, renewal of SSL Certificates	Yes
6	Finance Charges, Interest, L/c or BG Commission Fee and other charges payable to Banks/ Financial Institutions	Yes
7	Stamp Duty, Registration charges & the likes, Certification Charges e.g. Solvency, Notary certificate, Secretarial certificates of all valuations	Yes
8	Expenses incurred by CEOs through a Corporate Credit Card issued by the Company and up to sanctioned limits.	Yes
9	Expenses incurred by CHRO through Corporate Credit Card approved by Reporting Manager for all expenses under approved AOP broadly including fixtures, DTH/ Cable equipment, sundry stationery items including newspaper & magazines, cutlery & crockery, guest entertainment, Mementoes for visiting dignitaries & hospitality requirement, Bouquets, Puja, medicines for first aid, minor celebrations within office expenditure, for any expenditure connected to minor accidents with in the office or factory premises etc.	Yes
10	Expenses incurred from imprest cash by CEO offices (monthly limit of Rs. 25K), CHRO (monthly limit of Rs. 50K) & Site HR & FMS (monthly limit of Rs. 25K)	Yes. To be incurred via Catalogues to the extent possible.
11	For External Directors stay, car hire charges, parking fee, sitting fee and other miscellaneous charges	Yes

12	Expenses incurred for Hotel/ Guest House and car payment for official guests, travel of candidates appearing for interviews, Lodging & Travel of new joiners at Joining locations for approved period of time through travel desk arrangements where Rate Contract with the facility provider is entered in SAP whenever applicable.	Yes
13	Legal professional Fee payable to Retired Judges, Arbitrators, Senior Counsellors/ Senior advocates	Yes
14	Audit Fee payable to Statutory Auditors	Yes
15	Reimbursement of Conveyance through Car lease charges which are part of Employee's CTC	Yes

While the Negative PO list is for business convenience, to the extent the activities are covered in Framework POs or Catalogues or Rate contracts, the activities are to be included in the PO list to the extent possible and if required appropriate rate cards are to be prepared for avoiding the process through exception route.

All line items indicated requires approval as per DoP for releasing payments. All expenses should adhere to AOP/ Project Budget provisions and approvals as per DOP.

3. Procurement Activities: -

3.1. Annual Procurement Planning: -

By actively sharing the annual operating plan (AOP provisions) by user department with the CoE/ Estimation team of Group P&C team with list of Materials/ Services/ Works to be sourced in the said quarter/ year, P&C team can take advance action in terms of

1. Firming up draft RFP in consultation with user teams. While preparing RFP sustainability aspects must be considered as per our sustainability policy/ ESG goals/ sustainability drivers /Risk & opportunities and other requirements.
2. Collate the quantities/ Scope for optimization of commercial terms and rates.
3. Onboard competent and competitive vendors/ agencies so that competition will improve for the tenders floated.
4. Planning for Rate Contract/ Catalogue Buying.
5. The above sourcing strategy must be capable of meeting sustainability goals/ risk mitigation.

Procurement Plan - Format											
Sector		Period of Planning									
Company Name											
S. No.	Category Type	Category	Subcategory	UOM	Annual Quantity	Currency	Annual Budgeted				
							UOM	Currency	Apr	May	Jun
1	Material	Civil	Cement								
2	Material		Steel								
3	Equipment	Facility	HVAC								
4	Services	Landscaping	Lawn Maintenance								
5	Package	Works Contract	Civil Works	Units	3			1		1	1

3.2. Material/ Service Codification: -

Material Codes in GMR are maintained in MIDAS Tool and have an equivalent UNSPSC structure. This tool will be used to codify Material Codes, which will have an equivalent 7-digit structure with Noun and Noun Modifier and Service Codes, that will have an 8-digit structure based on UNSPSC Structure.

As Material Codes and Service Codes are standardized and bucketized for Category segmentation to enable usage of correct Categorization of Materials and Services which will enhance Category approach and thereby facilitate standardization and in leveraging group level consolidation in the Purchasing volume and behavior.

3.3. Buying channel Framework: -

Purpose: Purpose of buying channel is to define a complete channelized process for the procurement of material and services through various Buying options.

Scope: The following Buying Channels have been identified as on date.: -

3.3.1. Catalogue Buying: -

Procurement of the items available in Catalogues (Punch-in and Punch-out Catalogues) as per approved PR.

Punch-in Catalogues

The punch-in Catalogues will have pre-validated item rates post rate discovery through appropriate competitive bidding.

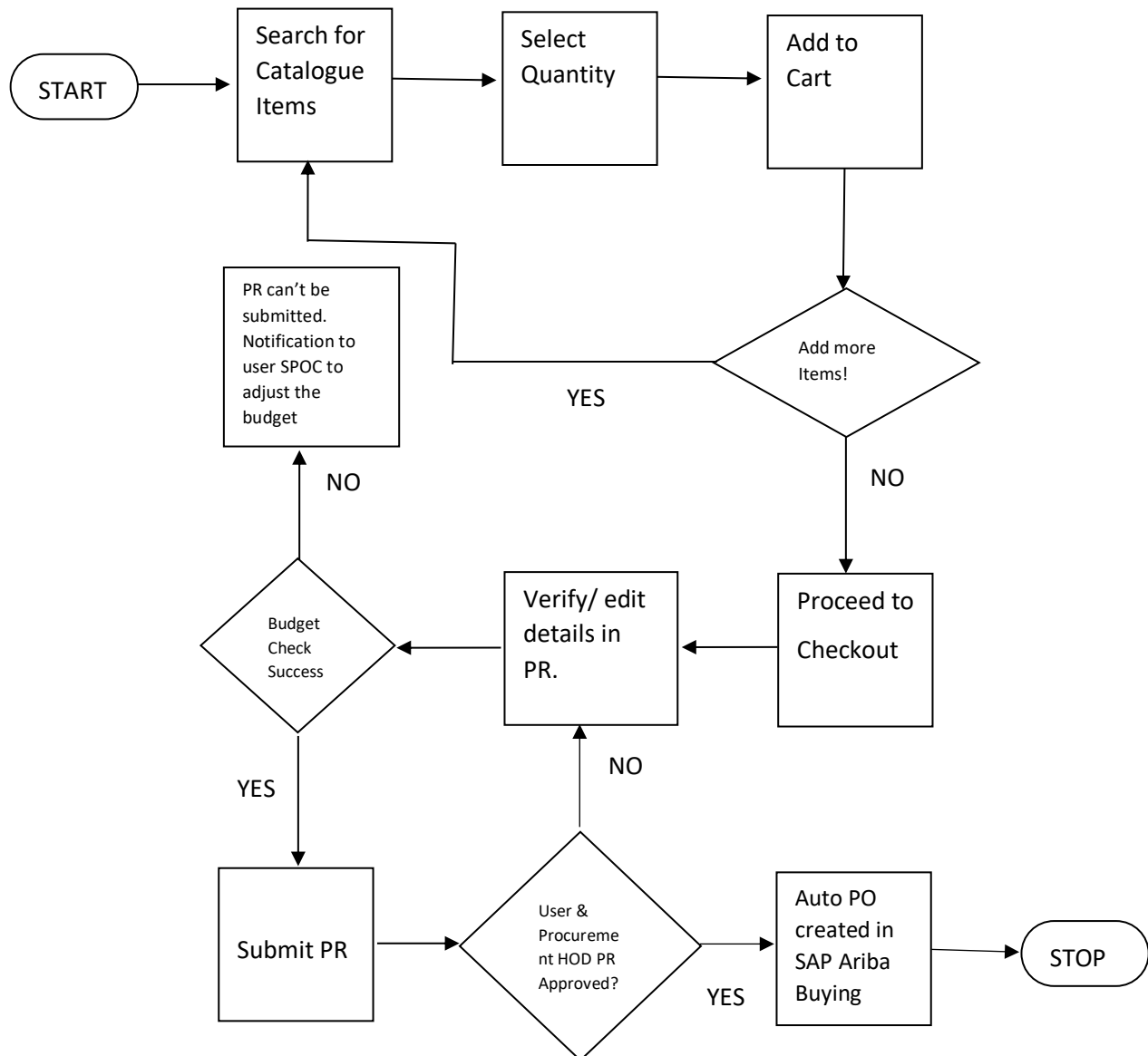
Process to be followed for procurement through Punch-In catalogue –

A) Creation of Catalogue Purchase Orders:

Step	Process Step	Manual/ System triggered	Responsibility
1	After finalizing the requirement, the user will login to the Ariba	Manual	User-creator PR
2	Post login, user will select the required item from the available list of items in the Ariba catalogue and add the item to the shopping cart	Manual	User
3	All items displayed in the Ariba catalogue will have a pre-defined rate contract (Outline agreement will be created in SAP)	System Triggered	IPP Support (SSC Team)
4	User department Head and Business Procurement Head will check & approve the shopping cart. There will be pre-defined spend limits for all individual departments over a given time frame. This will act like a budget control mechanism	Manual	User
5	The approved cart will automatically trigger creation of PR (purchase requisition) in Ariba.	System Triggered	IPP Support (SSC Team)
6	The PR will further automatically convert into a released PO (purchase order) in SAP which will be sync to the portal	System Triggered	IPP Support (SSC Team)
7	PO order shall be automatically communicated to vendor as defined in ARC/ or by the Buyer	System Triggered/ Email	IPP Support (SSC Team)
8	The selected vendor will deliver material to specified consignee locations	Manual	Vendor
9	Post receipt of the material, a GRN will be created in SAP	Manual (SAP ECC)	Stores
10	GRN will be synced with the Ariba portal.	System Triggered	IPP Support (SSC Team)

11	Invoicing and Payment process will be completed in SAP as per the process flow, the payments made will be synced with the portal for tracking purpose	System Triggered	IPP Support (SSC Team)
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Catalogue Buying Flow Chart (Punch-in Catalogue) :-



B) Catalogue PO Change:

If there are any changes required to the PO i.e., any line item needs to be changed or new line items need to be added this option can be used. Once the Change button is clicked a new version of PO will be created and change process will be initiated.

The user can initiate the PO change using below steps:

Step	Process Step	Manual/ System triggered	Responsibility
1	Click on the “Change Request” button on the PR header associated with the PO.	Manual	User
2	A new version of the PO will be created, and the fields will be reopened for the changes depending upon the status of the PO. – If the PO is Fully paid and received, change is not allowed, and no further changes will be made	System triggered	PO Factory
3	If the PO is partially paid, changes will be allowed to the remaining quantity and addition can be done for the same	System triggered	PO Factory
4	If the PO is not received/ invoiced, all the changes are allowed for fields like quantity, unit price, no. of line items in PR etc.	System triggered	PO Factory
5	Once the changes are made to the PR, depending on the revised amount, the PR will generate the approval flow. If the net amount is less, it will not trigger approval flow.	System triggered	PO Factory
6	Once approved, the PO will be created with version 2 and will be sent to the ERP as well as supplier	System triggered	PO Factory
7	Requester, preparer will be notified of this change order via emails	System triggered	PO Factory
8	PO status will move either to Receiving (If items are partially received before), Ordered (If items are not received before the change)	System triggered	PO Factory
9	The approval flow will only trigger if the new PO amount is greater than the already ordered PO value	System triggered	PO Factory
10	Once PO is changed, in ECC also required changes are reflected w.r.t. that PO.	System triggered	PO Factory

C) Catalogue PO Cancellation:

If the PO needs to be cancelled, i.e., ordered PO is not required or cannot be fulfilled by the supplier, this option can be used. The user can click on cancel button and initiate the cancel order process. A new version of the PO will be created, and the line will be deleted.

The user can initiate the PO Cancel using below steps:

Step	Process Step	Manual/ System triggered	Responsibility
1	Click on the “Cancel Request” button on the PR associate with the PO	Manual	User-creator PR
2	A new version of the PR will be created with the relevant approval flow	System	User
3	Approvers will approve the cancellation request.	System	Approver (as defined)
4	A new version of the PO will be created, and the line item will go in deleted state	System	NA
5	The PO status will move to “Cancelled” after the cancellation is done.	System	NA
6	The cancellation of the PO will be sent to the ERP system as well.	System	NA

D) Creation and Maintenance of Catalogue:

For creating, modifying a catalogue in the system, SSC Catalogue team uses Ariba platform which consists of a Parent page and a child page. The requirement of parent page is for creation of catalogue, modification in minimum order quantity or in the price of material. Whereas requirement of child page is for updating HSN, Material code, valuation code, tax master and commodity code.

- a. Gr. Procurement team (respective catalogue owner) shares details of products along with the prices to SSC Catalogue team for creation of a new catalogue or for addition in the existing catalogue on email.
- b. SSC Catalogue team uploads the standard template on the parent page in Ariba
- c. The details mentioned in the standard template include:
 - i. Supplier ID,
 - ii. Item description,

- iii. Unit price,
 - iv. Unit of measure,
 - v. Classification code,
 - vi. Lead time,
 - vii. Currency,
 - viii. Images – These are attached in a different folder,
 - ix. Minimum Ordering Quantity
- d. SSC Catalogue team updates other details like HSN and tax rates in child page in Ariba themselves as per the product post validation by IDT Team.

Note: Post uploading the details, catalogue becomes active in the system

The Group P&C team shall put its all efforts to include multiple Catalogues for better value in terms of savings and timelines for procurement.

Punch-Out Catalogues

The punch-out catalogues are the Catalogues with floating rates for various items for which the commercial terms, including discount, is negotiated and finalized by the Group Procurement.

Buying through Punch Out Catalogues wherein the prices are flexible where the volume discount and payment terms are pre-negotiated. In this process buyer/ user(Authorized) can place orders to Amazon or others through their portal which shall be regularized through SAP PO. In case material code is not available for such procurement, user team will provide a PR along with a correct material code within three days.

Amazon Buying Channel Framework: -

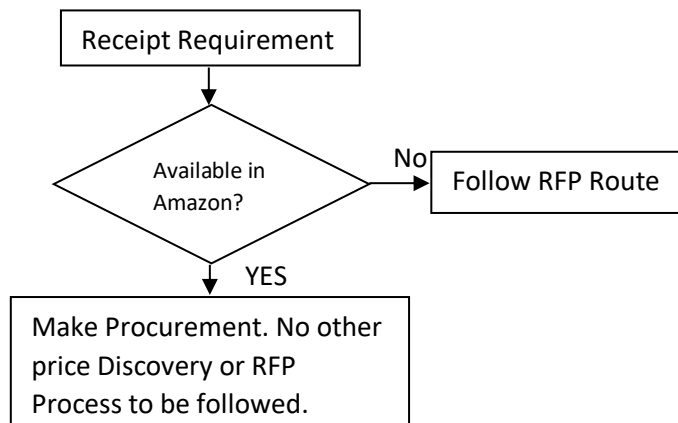
Purpose: Purpose of Amazon buying channel is to facilitate faster procurement of small value items.

We have entered in to an agreement with Amazon as a marketplace for facilitating procurement of various low value items including perishables, commodities, FMS items and other miscellaneous requirements.

Also, to have faster TAT, this arrangement has been made with negotiated credit term and most of the businesses have been provided individual Amazon accounts with predefined credit limits.

Since Amazon itself is a marketplace with multiple vendors offering competitive price for the same item, it will sufficiently fulfill the process of discovery for such transactions.

Amazon Buying Flow Chart (Punch Out):



Procedure

1. The business user department will generate request for the requirement (Purchase Requisition) through SAP system for procurement through Amazon. The requisition must have the following details:
 - a) Brief description of supply along with details available.
 - b) Tenderable bill of quantities with complete item description, material code and specification.
 - c) Business users shall identify the product available at Amazon web portal and specify the same in PR (with URL of the product as available in Amazon portal). Some cases PR may not be available for FMS Consumables.
 - d) Time of requirement and duration for which supply/ services is required.
 - e) Budget allocated for the requirement, if unbudgeted administrative approval as per DoP to be provided.
2. On allocation of PR which covers category of material under Amazon buying channel, buyer will identify requisite material on amazon web portal and obtain consent through mail from concerned business user if it is not specified in PR.
3. Buyer will take-up further order placement through amazon web portal with reference to PR no.
If it is bulk purchase, buyer will coordinate with Amazon SPOC person to obtain better competitive price than price available on the Amazon web portal.
4. The user having authorization/ Login credentials of Amazon portal, shall place order through Amazon as per above process.
5. On placement of order, mail shall be triggered to buyer/ user and SSC for order confirmation.

6. For creation of SAP order, Buyer/ User will share Amazon order detail over Email to SSC team (Email with Amazon order ID, Invoice, Seller Information, and SAP PR #).
7. SSC Team will check availability of vendor code in SAP. If it is not available, the SSC team will process vendor code creation based on the details available in invoice.
8. SSC Team will create PO with document type GCAT and communicate to buyer/ User/ Store Team. SAP PO should have Amazon order ID in defined placeholder i.e., in “Header Text”.
9. Store Team will prepare GRN and submit document to Mailroom for further process through VIM. For Non inventory item/ FMS perishable items, User will submit invoice to mail room.

3.3.2. Annual Rate Contract (ARC)

3.3.2.1. Purpose

In order to ensure availability of fast-moving spares and consumables, Rate Contracts for such items shall be finalized and Outline Agreement/ Catalogue shall be kept ready for ensuring creation of PO immediately once the PR is available.

3.3.2.2. Scope

Rate Contracts shall be identified for those material/ service categories, where requirements are repeated in nature. Rate Contracts shall cover categories such as spares, consumables material like stationery, signage, trophies, Amazon voucher, toiletries, bearings, lubricating oils, plumbing items, and operational consumables, etc., and services like housekeeping, maintenance support services, etc., those having recurring requirements at group level.

Gr. P&C team shall continuously work on the finalization of Rate Contracts based on the analysis carried out based on the procurements done during the previous three years’ data and will endeavor to include as many Materials/ Categories/ Services as possible in the ARCs for improving the utilization of guided buying.

Once a material/ service is identified for conversion in ARC, the Gr. Procurement team will float RFP for the estimated requirements at group level for the coming one year. The RFP will be processed on standalone basis in Ariba, since PR will not be available for this requirement.

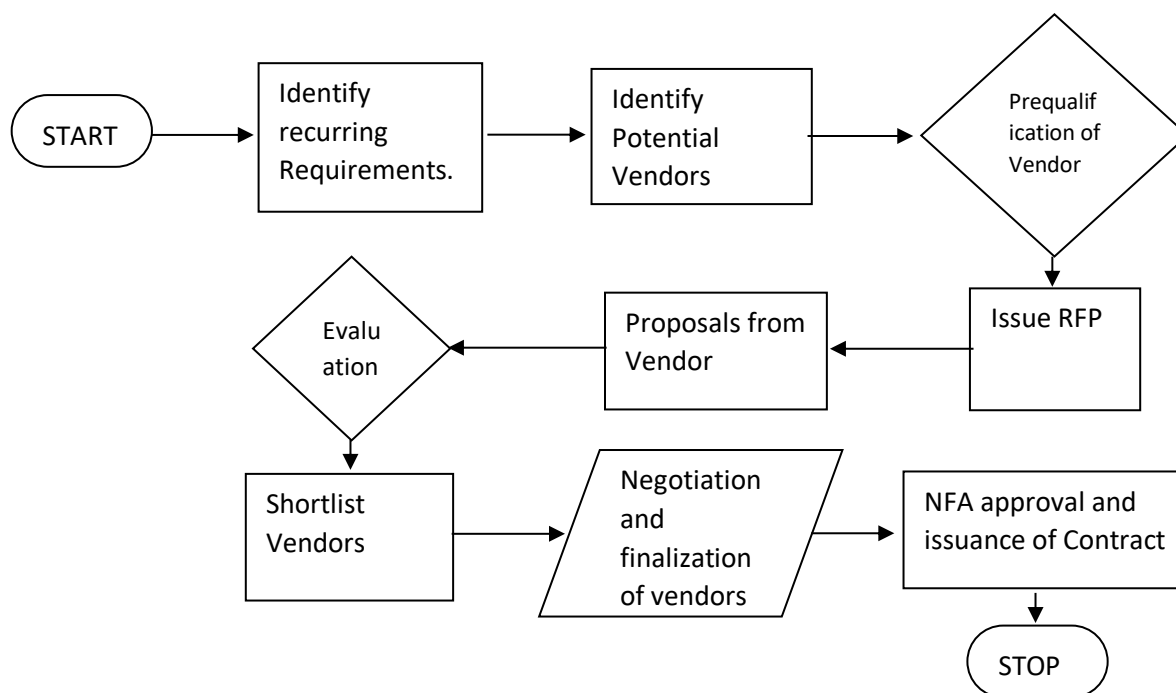
Once the rates and commercial terms are finalized, the e-NFA shall be processed. GCPO shall be final approver for any group level ARC. Based on the approval, the ARC will be issued to the Suppliers/ OEM and Outline Agreement (OA) will be created in SAP for

respective Plants. However, individual businesses (Business P&C team) shall obtain approval as per business DoP for their utilization against ARC issued for group level. For any material/ service that is available in ARC/ OA, procurement through RFP will not be required, unless the vertical head decided to float RFP for any specific reason to re-validate the price.

Based on the requirement of any additional items received through PR, which are not covered under existing OA (Outline agreement) for particular category of items, OA will be amended for such items as per ARC terms finalized with the vendor

Business teams to the extent possible can facilitate creation of MRP (Material Requirement Planning) functionality in SAP inventory management to activate the 'Auto initiation of PR' (wherever it is decided to follow the MRP system) once the re-order level is reached in stock, for the minimum re-order quantity as required by the business.

Annual Rate Contract Flow Chart:



3.3.2.3. Procedure

Rate Contracts will be finalized through competitive bidding and shall be converted into Outline Agreements in SAP. All the items that having unit value Rs. 5 Lakhs INR or less, can be procured through the Outline Agreements (OA) in SAP.

For repetitive nature of procurement, as stated above, P&C team shall take a call to enter into a Rate contract for such material/ services.

- The Procurement process followed shall be as detailed in the process below. Raising PR shall not be mandatory.

1) Process for Identification/ Shortlisting of Bidder's:

- a) Bidders shall be chosen/ shortlisted from the existing list of Vendors available with P&C/ SAP or through New Vendor Development.
- b) Reputed established brands/ Original Equipment Manufacturers (OEM) who have a fixed published price list for their supply items like Philips, Crompton, SKF etc. shall be considered. Preference will be for OEM's instead of dealers. After the Prices/discount is finalized, these OEM's can route the orders/ deliveries/payments through their distributors/ dealers located near our various group company locations.
- c) Traders may be considered if we are able to get a good value and they are companies of repute.
- d) The shortlisted vendor list shall be approved by vertical head.

2) Process for issue of Request for Proposal (RFP) for ARCs:

- a) RFP shall be issued by respective Gr. Procurement Team.
- b) e-RFP process shall be adopted, except in cases where the Rate Contract is envisaged with OEM's based on comprehensive Price list and Discount structure.
- c) RFP shall include details of the requirement.

3) Technical Evaluation for ARC's:

- a) As the ARC are envisaged for the Group, technical evaluation shall be obtained from respective user department that had purchased the material earlier. P&C team will provide unpriced Technical Proposal of all bidders for technical evaluation. The concerned user team will provide their Technical Evaluation Report/ Consent (also includes sustainability aspect like Environment & social impact) for taking forward the tendering process.
- b) In case the Technical/ User Team finds any deficiencies or seeks clarifications on the bidder's proposals, such communication with the Bidders will be handled by P&C team only. Clarifications submitted by the bidders will be provided by P&C to the Technical/ User Team for proper and complete technical evaluation.
- c) Technical Evaluation Report will give due weightage for Specific Parameters for the subject RFP, Resource Base and Technical Expertise, Overall, Company Profile, Past experience within GMR Group etc. This is to give indicative criteria only, which may change from case-to-case basis.
- d) The Technical/ User Team shall provide proper justification for technically rejecting any bidder.
- e) In the event the Technical/ User team finds the technical proposal of the bidder non-compliant to the RFP requirements, and does not propose it for further

consideration, they shall mention their proposal as “Disqualified/ Rejected” while preparing the Technical Evaluation Report. The commercial proposal of such bidders shall not be pursued further.

- f) All technically qualified Bidders will be considered as equal and decision of award will be taken only basis the Commercial considerations.

4) Commercial Evaluation, Negotiation:

- a) The P&C team has the responsibility for organizing the commercial discussions with the technically qualified bidders including communication with the vendors/ bidders, conducting negotiation and commercial evaluation/ analysis of the bids.
- b) A comparative sheet of the quoted prices of all the technically qualified bidders shall be prepared by the P&C Department. The comparative statement shall provide a clear break-up of all taxes and duties, Incoterms, deviations in commercial terms, if any, comparison with internal estimate (if available), major items/ terms that require negotiation. The P&C team shall critically examine the commercial proposals, carry out necessary evaluations, prepare negotiating strategy and compare the price with respect to the internal cost sheet wherever developed.
- c) All the technically acceptable/ qualified bidders shall be called for price negotiations.
- d) Negotiations will be carried out through either e-mails/ phone calls/ Video calls/ meetings etc. Negotiations through e-auction (Reverse Auction/ Dutch/ Japanese/ Index) Mechanism or any IT enabled processes as per Group’s approved process may be used. The aim shall be to achieve a most advantageous and competitive price proposal & favorable term from the Bidder without compromising on the Scope, Specifications and Quality of work/ services proposed to be obtained.
- e) Where the Rate Contract is envisaged with OEM’s based on a comprehensive Price list and Discount structure, negotiations shall be conducted to get maximum possible discounts/ competitive cost. In case of any deviation buyer will obtain approval from vertical head.

5) Recommendation & Note for Approval:

- a) The P&C team will initiate the Note for Approval (in the e-NFA approved format) in the Standard Template to seek Management approval. Since a Rate Contract is proposed for the Group, final approval should be obtained from Group Head (P&C).
- b) The scanned copy of the following documents shall be attached to the e-NFA, as applicable:
 - i. Last year’s Spend and expected Spend for the proposal, with Budgets as applicable.
 - ii. Technical Evaluation report received from the user team.
 - iii. Copy of initial and final commercial/ price bids received from the bidders.
- c) All the documents related to the tendering/ procurement of the particular case shall be documented/ filed in separate file – to be documented and maintained in Ariba, for validation by MAG/ Auditors.

6) Award of Annual Rate Contract:

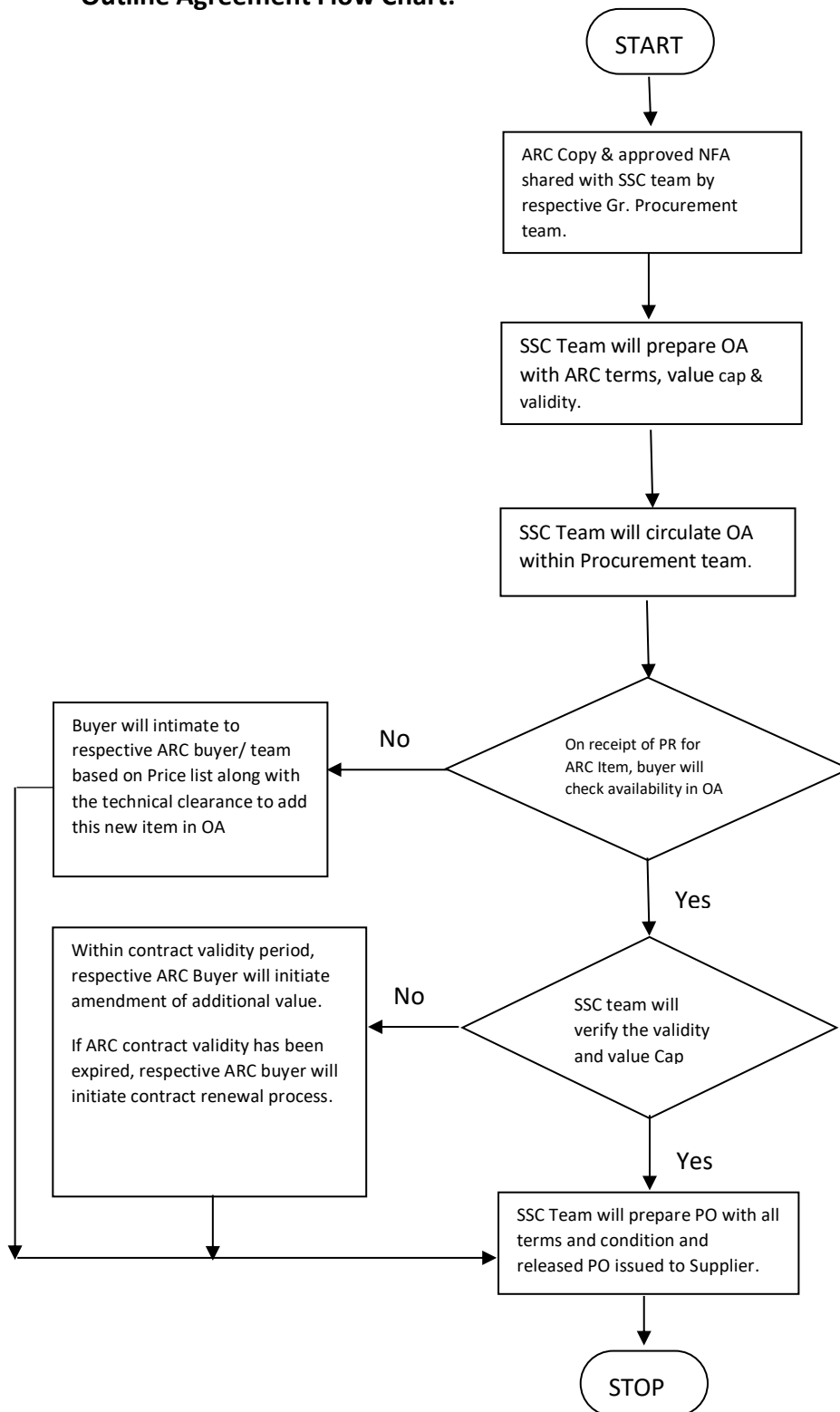
- a) The P&C team shall be responsible for generation and issuance of Annual Rate Contract to selected Vendor.
- b) The Contract document needs to be in line with the conditions of the RFP and approved NFA.
- c) The original copy of all Agreements shall be kept by respective Gr. Procurement team in their custody and safe keeping.
- d) All Agreements shall be circulated amongst P&C team members and respective users of business units and common list shall be maintained.
- e) Annual Rate Contracts shall be captured in SAP through Outline Agreement (OA) functionality at Group level.

Outline Agreement (OA): -

An Outline agreement is an agreement established with a supplier for the supply of goods and/ or services for a specified time period without any commitment to total volume or value. Commitments for specific quantities and deliveries are made by issuing Purchase order (PO). The Purchase order shall be issued by SSC team.

Based on the ARC issued, outline agreement (OA) shall be prepared by SSC on ARC vendor/ their nominated local distributors.

- The outline agreement shall be prepared business unit wise against the approved NFA for the respective rate contract with the value cap for a given time period.
- The overall value cap will be worked out based on projection given by individual departments.
- In case of aggregate value of POs issued with reference to Outline agreement (OA) exceeding the Outline agreement value cap or if the validity of OA expires, then it will put a hard stop in creation of PO till OA value is enhanced or validity is extended.
- For enhancing OA value, a mandatory NFA for amending the existing OA shall be processed.
- On receipt of PR buyer will verify the coverage of PR items in ARC and OA. If PR item is covered in ARC and OA, buyer will intimate to SSC for PO creation with reference to OA number.
- If PR item is covered in ARC but not available in OA, buyer will intimate concern ARC buyer/ Team based on the unit rate of price list along with the technical confirmation to add this item in OA.

Outline Agreement Flow Chart:

3.4. Creation and Approval of Purchase Requisition (PR): -

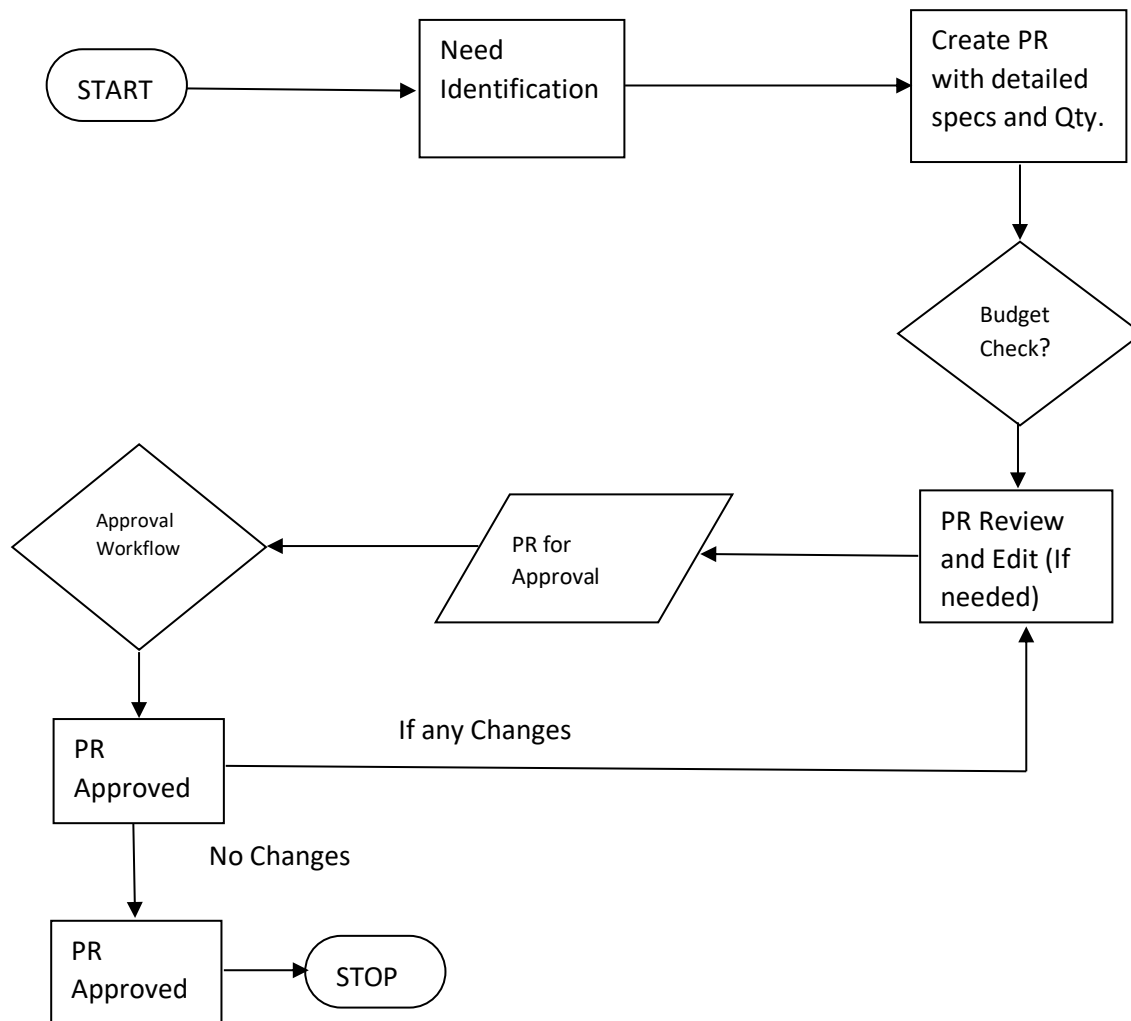
3.4.1. Purpose

To capture all the relevant details of a particular purchase requirement in a detailed manner in the PR; in order to timely complete the Procurement process and ensure receipt of fully compliant and comparable proposals from the bidders.

3.4.2. Scope

All the purchase requirements shall be initiated by the respective User Departments after due approval of its budget from relevant approving authority. The analysis of Need should be done case to case basis as decided by the Vertical Heads or Group Procurement Head.

PR Creation Flow Chart



3.4.3. Procedure

- 1) The business user department/ project team will generate request for the requirement (Purchase Requisition) through SAP system. The requisition must have the following details:
 - a) Detailed scope of supply/ service required i.e., nature of job.
 - b) Tenderable bill of quantities with complete item description, material/ service code and specification.
 - c) Detailed technical specification of each item along with list of approved make(s), scope of work, estimated cost (based on budgetary offers/ costing sheet), service level agreement & drawing (if specific)
 - d) Time of requirement and duration for which supply/ service is required.
 - e) Budget allocated for the requirement along with the basis of budget to be provided. If unbudgeted, administrative approval as per DoP to be attached.
 - f) Pre-qualification requirement for shortlisting of bidders as appropriate.
 - g) Recommended vendors, if any.
 - h) Technical bid evaluation criteria and min. Performance Parameters (as applicable).
 - i) Warranty/ Defect Liability Period requirement.
 - j) Service level agreement or standard of services (if any)
 - k) Vendor's acceptance in case of repeat order or renewal.
- 2) All the above requisite details and documents shall be provided along with PR, preferably in editable form (MS word or MS excel) by the user department, which will then form the basis for preparation of RFP document by Buyer. Any document, such as drawings or reports that cannot be attached to the PR, shall be enclosed to the PR and shall be made available to the buyer. If there is a change in specifications, quantity, schedule of services along with financial impact (If any) then PR should have fresh approval from respective authorities.
- 3) In case of any ambiguity/ discrepancy in the PR or in-completeness of the supporting documents, Buyer shall inform the User department of the same and seek missing details/ documents, if any. The User department shall ensure that such missing details/ documents are provided in a timely manner i.e., positively within one working day, to avoid delay in initiation of Procurement/ Tendering Process.
- 4) In case of any discrepancy in PR, following PR return process shall be followed by the buyer: -
 - a) Buyer will update the PR status in SAP to "03" meaning PR is sent back with the comments and PR initiator will get an alert emailer about the same.
 - b) Once the PR has been corrected and saved by the user, status of PR will update to "01" automatically.

- c) If buyer finds the modified PR is correct in all respects, the buyer will initiate the procurement process and will update PR status to “02”.
- 5) To expedite the procurement of urgent cases, an advance copy of scope/ specification/ BOQ/ SLAs etc. shall be provided to the P&C department along with a copy of management approval as per DoP justifying the requirement of urgency, meanwhile the user will initiate the generation of SAP PR and getting it approved at all levels in the system. In such cases, the User department will ensure that duly approved SAP PR is provided to the P&C department within 7 Working days of raising such requirement.
- 6) OEM procurement: This is the procurement from OEM (Original Equipment Manufacturer)/ OES (Original Equipment Suppliers). The requirement for OEM/ OES is to be clearly marked in the PR before the same is released as per DOP.
- 7) Single Source Procurement (SSP): this is the procurement from single vendor/ single make (other than OEM). The requirement for SSP is to be clearly marked in the PR before the same is released as per DOP. Single Vendor approval shall be obtained from One level above the approving of PR and limited to CEO as per the format (Refer 5.8 Forms and Templates- 5.8.4 Single vendor Approval Form). The single source procurement approval shall be taken manually and to be attached with SAP PR.
- 8) Where manual PRs are being processed (GADL/ ALD/ EPC businesses) the requirements need to be clearly defined and approval to be obtained from the business CEO before the PR is forwarded to P&C team.
 - a) The procurement process for ratification of the procurement is already done and PO is required for payment release.
 - b) In case the User department has already finalized a vendor as per their requirement, then user shall communicate such details to procurement team for issuance of PO.
- 9) The PR will get erased from the SAP system as and when through SSC: -
 - a) Any PR is not approved within 30 days after being created by the user.
 - b) Any PR not converted into PO within 6 months of its final approval as per DoP.
 - c) PR covered in above cases, list shall be shared with business team.
 - d) Such list of PRs which are to be deleted shall be approved by Dy CEO/ COO & GCPO.

3.5. Sourcing Channel Framework: -

3.5.1. Shortlisting of Vendors for Floating RFP: -

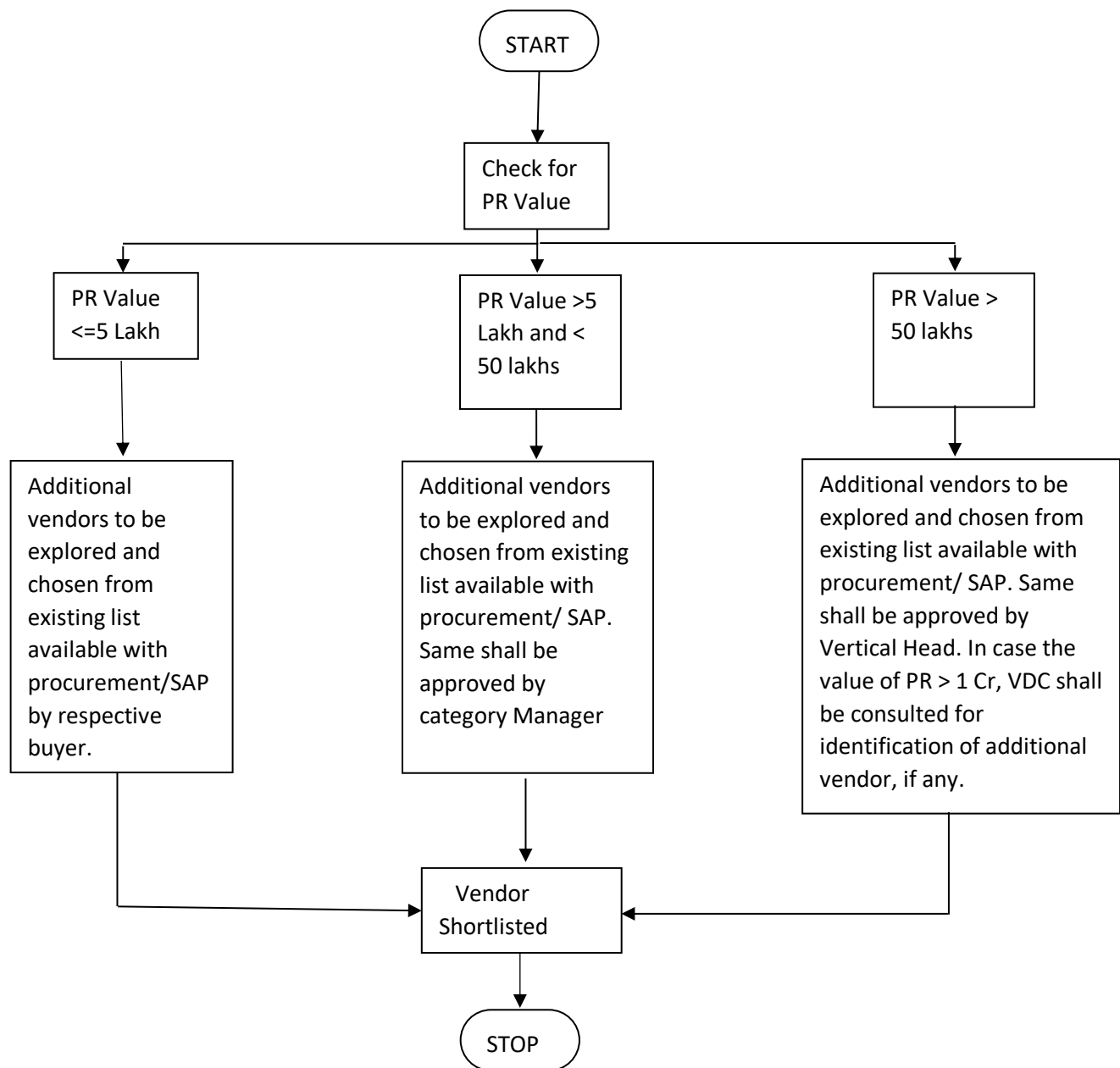
3.5.1.1. Purpose

To establish a systematic tool and analytical method for shortlisting vendors for inviting proposal towards various Tenders/ RFPs issued.

3.5.1.2. Scope

To be followed for all the Tenders/ RFPs that are floated by Procurement and Contracts department for tenders that are not publicized/ issued through Newspapers/ media. This SOP for shortlisting vendors is not applicable for tenders for which the eligibility criteria is mentioned for tenders published in newspapers and public domain for inviting Bids.

Shortlisting of Vendors Flow Chart:



3.5.1.3. Procedure

- 1) For each RFP that is proposed to be floated by the P&C department for inviting proposals from vendors, vendors are to be included as per the following details. Attempts must be made to increase the number of vendors to make the bid more competitive. Analysis of market can be done to improve sustainability outcomes as per established process as decided by Group Procurement Head/ Vertical Heads for Product/ Service under consideration.
- 2) Process for identification/ Shortlisting of Vendors:
If future requirement is part of the procurement included in 'Procurement Look ahead' shall be shared with VDC, to enable VDC to identify suitable vendors well in advance, onboarding of vendors well in time into ARIBA, vendors are available by the time RFP is floated.
Where details are not available in procurement planning, the following may be followed.
 - a) For PR budget value more than 5 Lakhs the vendors shall be chosen/ shortlisted by Buyer from the existing list of vendors available with Procurement/ SAP or through ARIBA. The prospective vendors can also be suggested by the user or buyer can identify more number of vendors from multiple sources. Buyer shall ensure that substantial number of vendors are identified for participation. The shortlisted vendor list shall be approved by authority as mentioned below:
 - 5 Lakhs and < 50 Lakhs by Category Manager
 - > 50 Lakhs by Vertical Head
 - b) Pre-Qualifying requirements: – Similar work experience, Financials, resource deployment plan and Performance Certificate
- 3) New vendors, who have submitted their profiles to P&C department/ VDC or new vendors suggested by the User department, may also be considered for shortlisting, if required. Further information may be sought from such new vendors about their capabilities and competence for review/ evaluation before shortlisting.
- 4) If a Vendor is not an existing vendor, such vendor shall be advised to register through ARIBA Supplier Portal and to submit its Company profile, past experience record, and any other credentials along with the Bid document. (Refer Vendor Development Evaluation and Management Annexure)
- 5) The buyer should collect information of new vendor via floating a RFI through ARIBA to the new vendors who will be required to respond within a set period of time. It is not mandatory to obtain credentials of the vendors in each RFP who are already working with GMR group. The requirement shall be decided by the P&C team before floating the RFP.
- 6) Some of the considerations for identification of a new vendor: -
 - a) Location: A local vendor is preferable to a distant one

- b) Capacities and Capabilities: These include the machines, skilled personnel, inspection and quality control facilities and financial position of the vendor in case of bulk & raw materials.
- c) ESG compliance: Vendor shall be preferred who has an established process to comply ESG norms.

3.5.2. Preparation and Issuance of RFP/ Tender Documents: -

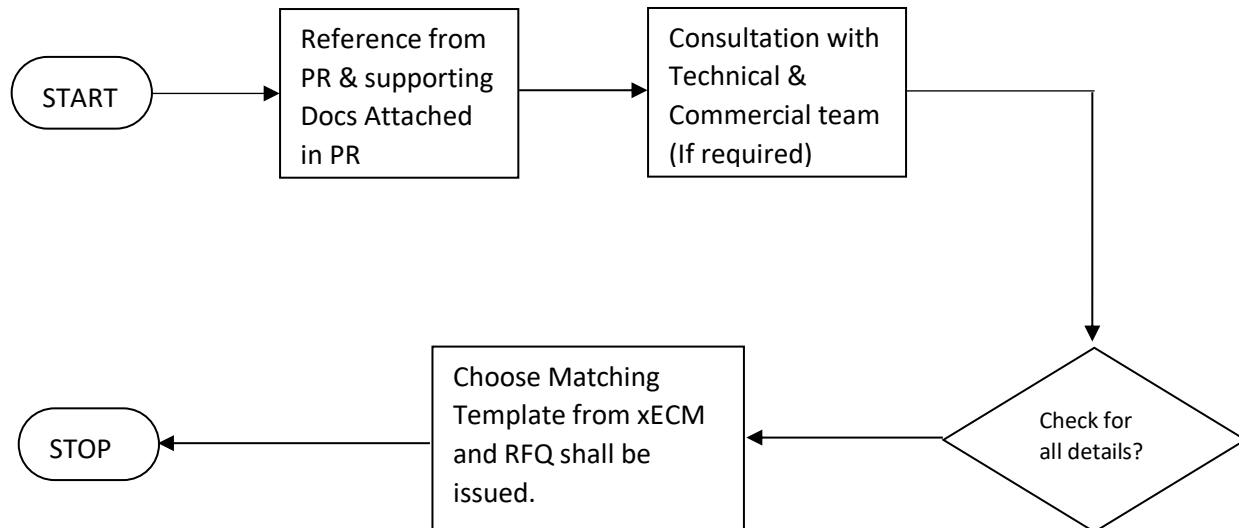
3.5.2.1. Purpose

To utilize standard set of ARIBA templates for floating of RFP/ Tenders with a view to improve process efficiency, compliance to standard terms and conditions and elimination of discrepancies.

3.5.2.2. Scope

All the RFPs/ Tenders that are floated by the P&C Department (Project/ Opex/ Service/ IT-Procurement Team) for inviting proposals from the bidders. While preparing RFP sustainability aspects must be considered as per our sustainability policy/ ESG Goals/ Sustainability drivers/ Risk & Opportunities and other requirements.

Preparation and Issuance of RFP/Tender Document Flow Chart



3.5.2.3. Procedure

The RFP must have the following details:

- 1) To the extent possible, ARIBA Integrated Procurement Process (IPP) shall be followed. While ALD and EPC (GPUIL) businesses have the flexibility to opt for Standalone mode, all businesses shall try to float RFP through IPP to the extent possible. Respective HoD will approve the deviation (if any) for floating outside IPP.
- 2) RFP to be prepared with reference to PR.
- 3) RFP should be prepared with the team for technical and commercial evaluation
- 4) RFP should contain detailed specification/ scope of work, inspection, measurement methodologies, defect liabilities, standard General conditions of contract (GCC) possessing all standard clauses and Special Conditions of Contract (SCC), if any.
- 5) The matching contract template according to the RFP shall be chosen from the xECM module.
- 6) The GCC should clearly indicate “GMR Group’s decision will be final and binding; and that the group reserves the right to offer any clarifications about the same” along with the requirements of ESG compliance.
- 7) For a higher value package (value of works more than INR 500 Lakhs), the RFP may contain provisions to allow the bidder to offer alternative proposals that may be technically and performance wise more suitable than envisaged at the time of issuing the RFP. If any alternative proposals are received, then it will be dealt with on case-to-case merit basis.
- 8) The buyer’s name and contact information must be clearly mentioned in the RFP document and he/ she must remain the single point of contact (SPOC) for all communications w.r.t RFP related activities. The User department shall not interact directly with the bidders and Buyer shall only be authorized to communicate with the bidders during the entire bidding process (from floating of the RFP till the execution of the Order/ Agreement). All the Tender clarifications, Tender addendums if any, site visits, pre-bid meetings etc. shall be communicated and coordinated by the P&C department only. The representatives of the User department shall support/ assist the P&C department proactively and in an efficient manner, whenever required, during the entire bidding process.
- 9) Separate technical and price bids shall be invited in the RFP (Refer Clause 2.3).
- 10) The Tenders shall be issued by the concerned Buyer through e-procurement platform- ARIBA.
- 11) The buyer must ensure complete confidentiality all throughout the RFP process.
- 12) If required, buyer will coordinate vendor’s site visit for more clarity of scope of supply/ services.

- 13) Efforts shall be made by the buyers to obtain maximum proposals (minimum of 3 bids) to make bid more competitive. In case, received bids are less than 3 despite several efforts the buyer may proceed for bid opening after approval from vertical head.

Major terms in the RFP Terms and Conditions:

1) Tender/ RFP Timelines:

- i. Time for issue of RFP/ Tender shall be within 2 working days to the extent possible from the date of final release of PR and date of bid submission shall be kept as per the timelines defined in the process flow chart.
- ii. Requirement for pre-bid meeting and site visit shall be decided by P&C team in consultation with user based on criticality of requirement and accordingly the schedule for the same to be mentioned in the RFP documents.
- iii. Any deviation to the above and extension of the Bid due date in case sufficient bids are not received by the due date shall have to be approved by vertical Head P&C.

2) Earnest Money Deposit (EMD) or Tender Security:

EMD shall be obtained from all the bidders for PRs having an estimated value more than Rs. 1 crore. Any variation to this shall be approved by vertical heads of P&C. Buyer should click EMD option to enable the same in the sourcing event.

EMD Amount is recommended as per the following slabs. For any reason, Lower/ higher EMD is proposed by the Buyer, reasoned approval form vertical head or HoD (P&C) of business is to be obtained:

Estimated cost of Tender (INR)	Recommended* EMD amount
(INR) Up to Rs. 1 crore	Nil
Between Rs. 1 crore to 2 crores	1 Lakh
Between Rs. 2 crores to 5 crores	2 Lakh
Between Rs. 5 crores to 10 crores	5 Lakh
Between Rs. 10 crores to 15 crores	10 Lakh
Between Rs. 15 crores to 25 crores	15 Lakh

Above Rs. 25 crores

1% of Estimated Budget Value

However, respective vertical heads shall be the final authority to take a decision for applicability of EMD, following Process to be followed.

- 1) The EMD shall be obtained from the bidders in the form of NEFT/ DD/ FDR/ Bank Guarantee and in the case of FDR/ Bank Guarantee, it shall be valid up to minimum 90 days from the last date of bid submission unless otherwise extended.
- 2) EMD documents are to be sent to business CFO of respective Business with clear ref. to related RFP/ PR for validation and safe custody. If there are any issues with the FDR/ BG, the concerned finance team shall inform the Buyer within two calendar days or one working day whichever is later, to enable the buyer to take required action. The overall responsibility will be with the Buyer till the EMD is returned to the respective vendors.
- 3) Post Closure of Bid, the Finance team on receipt of formal advice from the Buyers, shall return the EMDs to the unsuccessful bidders and acknowledgment shall be kept on record.
- 4) Each Buyer shall maintain the details of pending EMD to be returned or any adjustment and the report is to be circulated by Buyers on monthly basis to HOD and the GCPO office.
- 5) Ageing analysis to be part of Monthly MIS circulated by respective Vertical Heads.
- 6) Post award of work/ PO, the Performance Bank Guarantee (PBG) towards Performance of obligations by the selected vendor shall be obtained from the successful vendors by the user team and the same shall be sent to Finance team for monitoring and safe custody. Similar action is required to be taken for Retention BGs as applicable.

3.5.3. Opening of Bids and Technical Evaluation: -

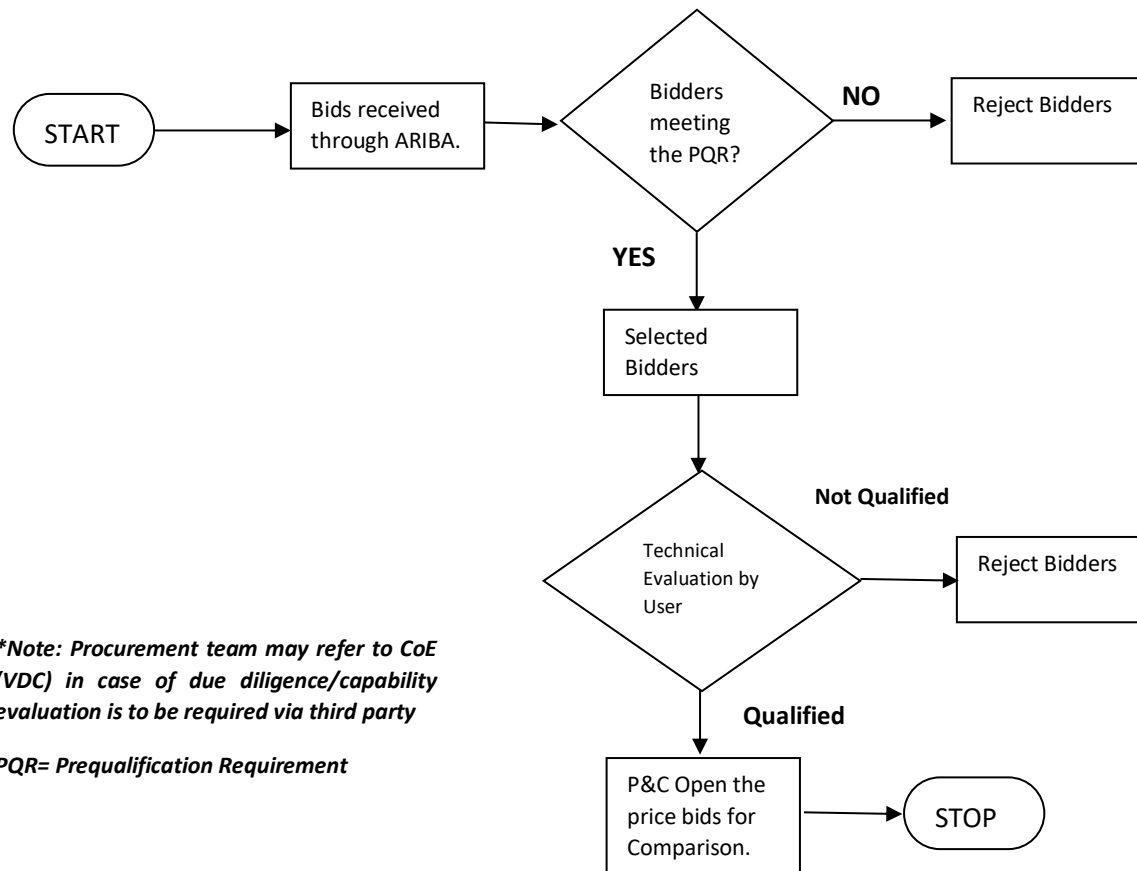
3.5.3.1. Purpose

To implement a transparent and effective process for Opening of the Bid Documents and to implement analytical and effective process for evaluation of the technical proposals received from the bidders in response to a particular Tender/ RFP.

3.5.3.2. Scope

All the bid documents/ proposals that are received from the Bidders are required to be evaluated on Technical Parameters/ Technical Proposals in the process of Procurement of new orders.

Opening of Bids and Technical Evaluation Flow Chart:



3.5.3.3. Procedure

- 1) Bids shall be received from the bidders through an e-procurement (at present ARIBA) system.
- 2) Opening of Bid Documents:
 - a) Technical bids to be opened post last date of submission of bids.
 - b) Price bids of those bidders whose technical bid does not meet the minimum qualifying requirements shall not be considered for evaluation. However, the bids can be opened for comparison purposes with due approval of Vertical head/ GCPO.
 - c) The team defined in ARIBA for technical evaluation, will open the technical bid envelope and provide their consent towards qualification of the vendors proposal along with detailed technical evaluation report. In case of any observation, technical evaluation team should raise their queries so that same shall be communicated to

- the vendor. The evaluation shall be done based on the criteria defined in PR and subsequent RFP.
- d) For specific procurement out of IPP and bids received through email, the Grp. P&C team shall handover all technical documents to the User Team. In case of common bid received which includes technical and price part, unpriced copy of BID shall be forwarded to the Technical/ User department for Technical Evaluation of the Bidders.
 - e) User shall provide technical evaluation response in “Yes” and “No”, where “Yes” means the vendor is qualified whereas, “No” means vendor is technically rejected except category mentioned in clause “f”. However, minimum percentage required to qualify to be decided by technical team on case to case basis.
 - f) The User Team shall provide proper justification in writing while rejecting/ disqualifying some bidders, during technical evaluation, any rejection to be approved by Department HOD only.
 - g) If there are any changes in the scope of work/ specifications subsequent to opening of technical bids. Such changes shall be approved through an amendment to the PR and accordingly communicated to all the bidders through Buyer, for compliance and consideration before completing the technical evaluation of bids. SAP PR to be amended accordingly.
 - h) In case of any virtual or face-to-face meeting is required for further clarification the same will be coordinated by Grp. P&C team, all verbal discussions and/ or clarification with the bidders deviating from the bidding scope to be documented by MoM signed by User Team and P&C team. All bidders must be given equal opportunities for clarification.
 - i) In case of any technical deviation notified after technical discussion and any bidder intended to submit their revised bid, buyer should obtain approval for such event from Grp. P&C category head through e-mail and attached with NFA docs. The buyer will communicate technical deviation to all bidders and allow all bidders to resubmit their bid through RFP – 2.
 - j) For new vendors competency and due diligence (if required) refer to VDC of CoE team.
- 3) Grounds for Bid Disqualification: - A vendor may be excluded from the evaluation and the award of contract, when any of the following issues are noticed after the tenders are floated. Otherwise, such vendors are not to be considered in the bid process.
- a) Is bankrupt or is being wound up, whose affairs are being administered by court, who has entered an arrangement with creditors, who has suspended business activities or who is subject of an injunction against running business by court.

- b) Is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings.
- c) Has been convicted of an offence concerning his professional conduct.
- d) Has been found guilty of grave professional misconduct.
- e) Has not fulfilled obligations relating to payments of taxes or social security contributions.
- f) Non confirmation to RFQ terms
- g) Nonperformance in earlier contracts which is evaluated through vendor performance evaluation sheet for particular business, if available.

3.5.4. Commercial Evaluation, Negotiation and Recommendation for Award: -

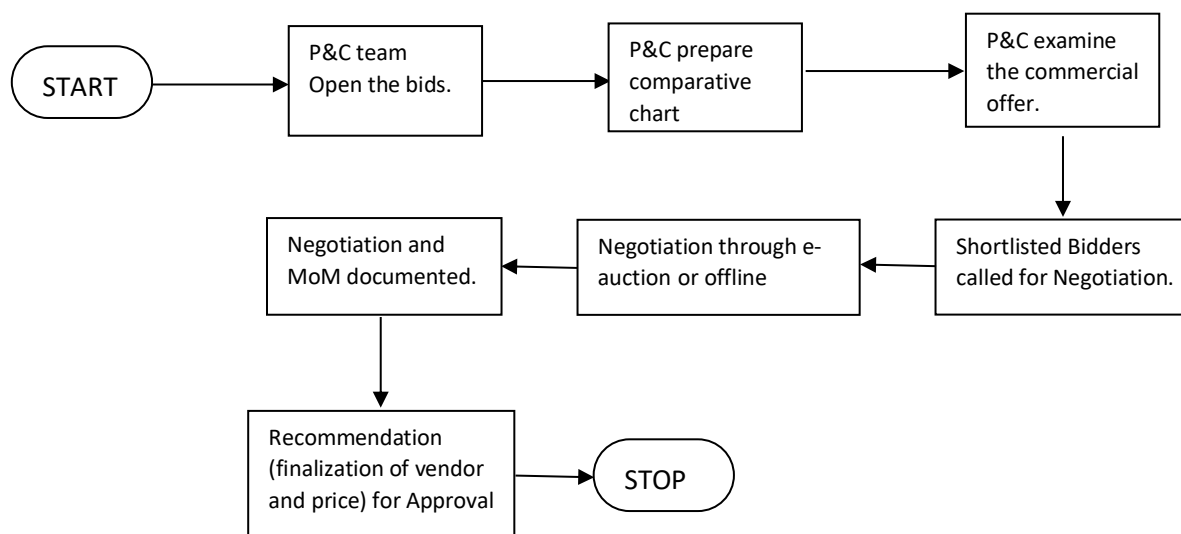
3.5.4.1. Purpose

The purpose of this SOP is to describe the process that is to be followed for Commercial Evaluation, Negotiation and Recommendation for the Award of a particular Order.

3.5.4.2. Scope

This applies to all the proposals including the proposals for the RFPs that are floated by the Grp. P&C Department.

Commercial Evaluation, Negotiation and Recommendation for Award Flow Chart:



3.5.4.3. Procedure

- 1) After the receipt and opening of the bid documents, following shall be considered while evaluating the Commercial/ Financial proposals of the bidders:
 - a) Once technical evaluation (TE) is completed, the price bids/ commercial proposals of technically accepted bidders shall be opened by Grp. P&C team. If TE is not applicable (for the cases where user has mentioned non-requirement of TE either in PR or through a mail communication), the bids can be opened post the last date of submission of bids by the vendors.
 - b) A comparative statement of the quoted prices of all the bidders whose tenders are opened, shall be prepared by the Buyer. The comparative statement shall provide a clear break-up of all taxes and duties, deviations in commercial terms if any, comparison with Budget/ internal estimate/ Should Cost (if available)/ Last purchase price (LPP) etc. Life Cycle Costing (LCC) should be considered as decided by Vertical Heads or Group Procurement Head.
 - c) All the technically acceptable/ qualified bidders shall be called to understand the price if required. Negotiations through e-auction mechanism shall be used by the P&C team preferably and reason for not going for auction may be documented in the NFA. Any deviation to the process of evaluation of bids or negotiations etc., is to be approved by the Vertical Head
 - d) Face to face negotiation post RA, if required, shall be done with the L1 vendor to the extent possible. In case where the negotiations post RA did not yield satisfactory results, Negotiation with other than the L1 vendor shall require the approval of the Vertical Head with reasoned communication.
 - e) Price Negotiation at this stage is commercial and accordingly to be done by the P&C department. Depending on the type of the materials/ services procured and the payment terms envisaged, the P&C Vertical Head may request/ consult teams from User department and/ or finance on case-to-case basis.
 - f) As a general guidelines factors affecting Life Cycle Cost like energy efficiency, service life and any other such parameter may also be looked into wherever possible using the attached template.
- 2) The following process shall be followed for evaluation/ award of Repeat Orders
 - a) Repeat order is an order which can be placed for identical item/ material/ equipment/ services within a period of 12 months and more than the value of the basic/ original order on the same supplier/ service provider, at the same price & terms and conditions and subject to statutory adjustments and pre-agreed price variation with approval as per DOP.
 - b) Such orders shall be allowed only once and not to be more than 100% of each item's value. However, in exceptional cases, the repeat order for higher quantity can be

issued with approval duly highlighting the justification with reasonability of price for the attention of approving authority.

- c) For avoidance of doubt, it is clarified that the repeat order can be placed only for the PO that are placed after through competitive bidding process/ OEM/ Developed Vendors.
- d) The Grp. P&C team may evaluate the current market rates in consultation with the Market Intelligence team, in cases where rates can vary due to seasonal/ market conditions before recommending such repeat orders. The decision to remain with the buyer
- e) Annual Rate Contracts may be entered for items which are identified for regular and repetitive consumption.

3.5.5. Processing of Note for Approval for Award: -

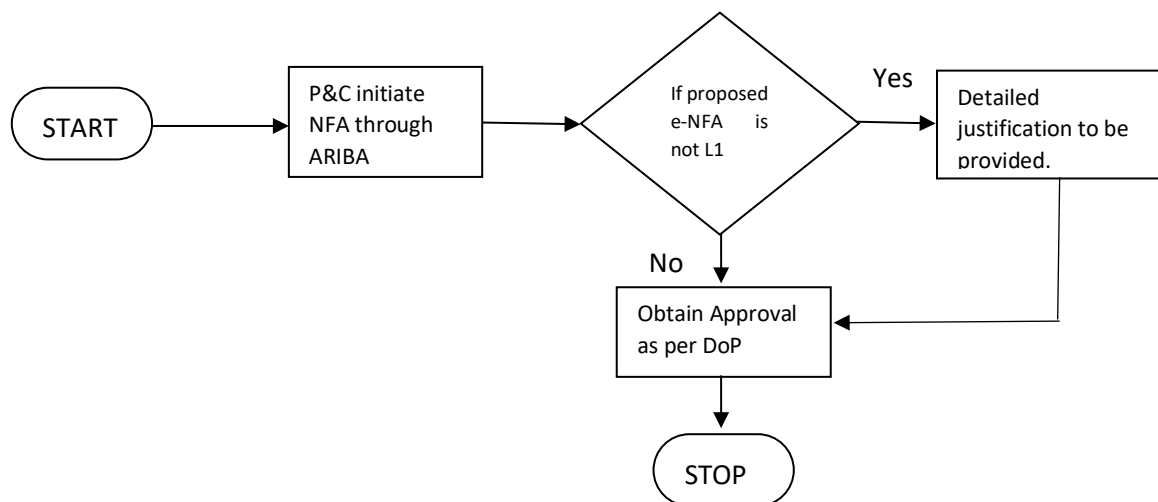
3.5.5.1. Purpose

To prepare a consolidated review/ recommendation report and achieve an expeditious process flow for approval of competent authority (as per DoP) through e-NFA in the prescribed format circulated by CoE team from time to time. The e-NFA format is drafted to suit mapping of required details from e-NFA for dashboard and facilitating bots to extract data from SAP/ Ariba.

3.5.5.2. Scope

All procurements that require management approval as per business DoP for placing of order to the vendors.

Processing of Note for Approval for Award Flow Chart



3.5.5.3. Procedure

- 1) The Grp. P&C team shall initiate the Note for Approval (NFA) through online portal (ARIBA) in the standard template to seek Management approval. The approval flow shall be followed as per mapping in ARIBA, business wise and value wise.
- 2) The scanned copy of the following documents shall be attached to the e-NFA as applicable.
 - a) PR details
 - b) Budget Approval (NFA/ AOP reference, as applicable)
 - c) Scope of Work in brief.
 - d) Technical Evaluation Report (TER) received from the user team/ ARIBA technical evaluation event report.
 - e) Copy of initial and final commercial/ price bids received from the bidders/ ARIBA RFP event report.
 - f) Technical and commercial bid documents from all bidders
 - g) EMD/ Bid security details for traceability and return to unsuccessful bidders.
 - h) e-auction event report if applicable
 - i) Final comparison sheet, which includes initial, revised, RA/ final bids, and terms & conditions i.e., price basis, delivery/ work completion period, payment terms, defect liability, LD clause and applicability of bank guarantees etc. received from bidders.
- 3) If the recommended vendor is not an L1 (Lowest price) vendor, then an adequate justification shall be captured in the e-NFA.
- 4) Approvers for the e-NFA to be mapped and obtain approval as per the business DOP.

3.5.6. Processing of LOA and Purchase Order/ Contracts: -

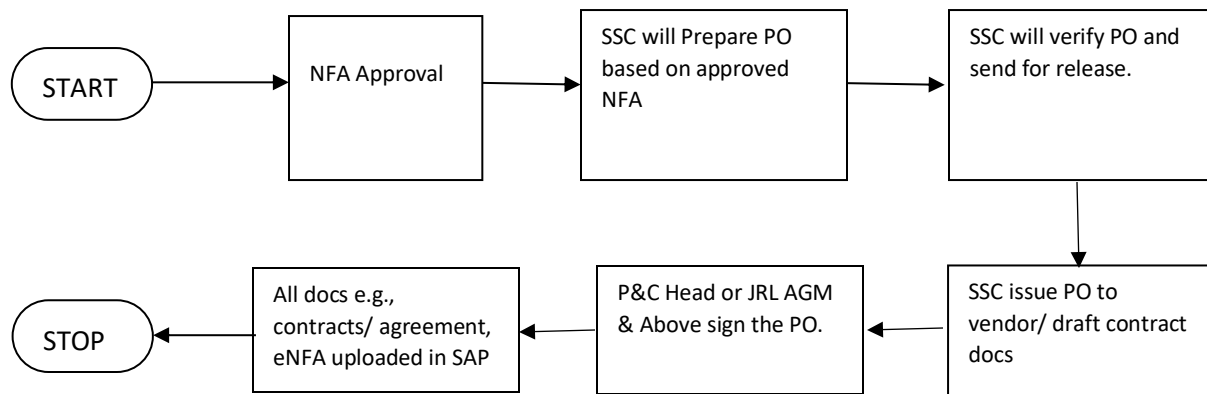
3.5.6.1. Purpose

To ensure processing and issuance of the Letter of Award/ Purchase Orders/ Contracts in a time bound manner by following appropriate guidelines and standard templates.

3.5.6.2. Scope

All the procurements that are approved for award/ placement of orders by the Management.

Processing of LOA and Purchase Order/ Contracts Flow Chart:



3.5.6.3. Procedure

- 1) After approval of NFA, SSC PO desk will get approved e-NFA through ARIBA workflow. SSC PO desk will prepare the SAP-Purchase Order (PO), along with the relevant legally vetted standard contract template selected from the available xECM portal as applicable and considered as a part of RFP documents. These standard templates shall be periodically reviewed.
- 2) SSC should maintain a SAP PO DMS (Document management system), which comprises the following:
 - i. Approval list of bidders
 - ii. Ariba event report/ RFQ issued to all bidders
 - iii. Ariba event report (RFP 1, RFP 2, Reverse auction)/ All bids submission documents
 - iv. Technical vetting
 - v. Approved NFA
- 3) The SSC-PO desk will prepare PO within 72 hours which includes cost breakup and terms and conditions mentioned in the standard template. PO shall be released by SSC/ PO factory/ SSC F&A team at all levels and will send the final released PO to Vendor with a copy to the respective buyer.
- 4) Apart from the standard template, if any contract is to be prepared in consultation with Contract team of Group P&C.
- 5) The buyer shall issue the PO (Signed if required) to the suppliers/ service provider with a copy to user department (incl. User HOD) and vertical heads for their information and execution.

- 6) All documents including Contracts/ Agreements, LOA and e-NFA to be mandatorily uploaded in SAP prior to the release of Purchase Order.
- 7) All Contracts (Capex/ Material/ Services) above Rs 50 Crs excluding GST have to be necessarily formalized on Stamp Paper (Value to be obtained from Legal team as per the Act in respective state) signed by both Authorized representatives of GMR and the Vendor and applicable stamp duty to be duly paid.
- 8) For Contracts (Capex/ Material/ Services) Values up to Rs 50 Crs – respective HOD may take a decision to formalize the contract as mentioned in point no. 7 of 3.5.6.3 clause.
- 9) All POs issued should have either a signed acknowledged/ accepted copy or an email confirmation acknowledging the PO from the Vendor.

3.6. Review, Reporting and Expediting: -

3.6.1. Purpose

To adopt an effective system of monitoring and tracking the Procurement activities running through complete process flow from beginning till the closure of particular PR.

3.6.2. Scope

Report for all the PRs created by the user team for procurement.

3.6.3. Procedure

1. The Grp. P&C department has devised an MIS system (PR Tracker) wherein the current status of each PR with regard to its procurement process is captured on a daily basis by the respective Buyer handling the case.
2. A consolidated report on the status of the PR's is to be prepared on a periodic basis by the Grp. P&C team and the same should be shared with the HOD's of the User departments on fortnightly basis through Business P&C teams. Business P&C to coordinate for Technical Evaluation, NFA approval from User Side, getting Vendor performance evaluation completed, any other such activities as detailed in 4.2
3. Any changes in scope/ specification/ terms during the process of PR to be captured in the PR before release of PO.
4. Buyer should follow the timeline for process of PR as per the SLA agreed with the business from time to time except Emergency Purchases
 - a. CAPEX (Projects) Procurement: 45 Days
 - b. Opex (Materials) Procurement: 25 Days
 - c. Service (Services and works): 30 Days

3.7. Emergency Exception Purchase Order: -**3.7.1. Purpose**

To outline the types of materials and services for which Operations might expect to have a need in emergency situations.

3.7.2. Procedure

- 1) In an emergency scenario, the User/ Business P&C would take approvals from senior management based on an e- NFA as per DOP (Emergency Purchase).
- 2) Given the urgency, sufficient time for PO creation may not be available. If the vendor agrees to provide materials/ services without PO, the activities will proceed without PO in consent with the approving authority as per DOP. However, email confirmation/ LOI shall be issued to the Vendor. The entire transaction shall be regularized later through post-facto approval and by creation of PR by the user and PO by the P&C/ SSC team.
- 3) The Grp. P&C department shall issue a Letter of Intent (LOI) to meet the immediate requirement and subsequently create a PO in SAP after receipt of approved PR.
- 4) Emergency procurement to be avoided through meticulous planning. All cases of emergency procurement to be recorded and tracked with a view to reduce such instances in future.
- 5) A list of such Urgent cases to be circulated by respective Business P&C to Business head and GCPO office.

3.8. Cancellation of PO: -

- 1) Cancellation/ Termination of PO in case of non-requirement/ non-fulfilment/ noncompliance identified by User and, agreed by Vendor/ vendor's inability to deliver right product and agreed by User and having no commercial/ legal implications.
- 2) For proposal of Cancellation of PO which have not been agreed by either User/ Vendor and having legal/ commercial implications, subject to Vertical Head Procurement approval, Grp. P&C Department shall initiate eNFA for cancellation of the PO as per the DoP.
- 3) All the POs in the system will be reviewed twice in a year and redundant POs against which no further works are planned or payments due to be processed will be closed by SSC PO factory with a due consent of respective businesses.

3.9. General Contract Administration: -**For works/ Service contract**

- 1) Check for compliance with contract/ PO terms and conditions, schedule etc. to ensure proper performance by the Contractor.

- 2) Check for compliance to all Statutory Rules and Regulations, Safety, Health and Environment Practices by the Contractor.
- 3) Inspection of the work / services/ delivery completion.
- 4) All the above points under clause 3.9 are the responsibilities of respective businesses.

For material PO: Ageing analysis

- 1) SSC P&C team will generate monthly report of open PO (pending deliveries after the due date) with ageing and value/ Service PO validity to be expired within month time of the closure of POs (Material PO only). Business P&C will obtain user's feedback/ approval for forced/ short closure of long pending deliveries (requirement may not exist)
** closure of PO for short quantities (up to 10% shortfall) will not require approval
- 2) Wherever, there is a requirement of issue advance payment to vendor against Bank Guarantee (BG), Business P&C will collect BG from the vendor.
- 3) Business P&C shall ensure that BG (Both Advance and Performance) received should be as per the standard and required format of GMR with required validity period and additional claim period of minimum period of 3 months from the validity date. Also, Business P&C shall ensure that BG received only from nationalized or scheduled Bank accepted by RBI of India.
- 4) The User department shall ensure certification of the advance payment as per PO terms and/ or release of security deposit against the received ABG or PBG and submit the originals to finance department along with the request for payment.
- 5) User department shall ensure deductions, if any, due to shortfall in supply or quality issues or applicability of Liquidated Damages or any other as per PO/ Contract terms.
- 6) Finance ensures that the release of advance payment or security deposit only on receipt of original BG. Finance dept. shall check & validate the genuineness of the BGs received.
- 7) The finance department must maintain a ledger of BG received with Purchase Order number and Validity date. Such a ledger has to be circulated to the Business P&C and User department on regular basis and shall alert the P&C team in case any security is getting lapsed before recovery of the advance amounts paid or completion of DLP as the case may be.
- 8) At least 30 days before the validity of the BGs, notice shall be issued to the vendor with copy marked to banker seeking extension of the BG (in case required) otherwise the BG will be invoked as per T&C of Contract.
- 9) The User shall follow up with vendor whenever the securities are to be extended for any reason. Otherwise the same will be invoked by the finance department.
- 10) The finance department shall arrange to return the BG on expiration or recover advances with due approval from user department HoD.

- 11) The finance team shall arrange to release the retention money/ PBG accumulated, after completion of Defect Liability Period (DLP) defined in the contract based on request from the Contractor and the NFA initiated by Business P&C duly vetted by Finance and user HoD.

4. Roles & Responsibilities of Business P&C

4.1. Purpose: -

To ensure smooth operation of P&C verticals, business P&C shall act as a bridge between the user team and Group P&C team.

4.2. Scope: -

Business P&C team will facilitate the following activities for quicker process of the PRs for the benefit of business: -

- The Business P&C team will ensure that all the required details are provided with PR, timely receipt of released PR for prioritized requirements.
- The Business P&C team will coordinate with the respective user department in providing the complete details & changes in the PR, wherever required, as well as technical vetting.
- The Business P&C team will coordinate with the user department and other approvers from the plant in getting the timely approval of e-NFA in ARIBA.
- Processing the proposals of amendments for quantity variation, time extension of the existing contracts, as and when required by the business.
- The Business P&C team may process the ratification and single vendor cases wherein the vendor discovery and price discovery are not required.
- The Business P&C team may process the requirement of low value items which are to be procured locally and the items covered in rate contracts and OA.
- The Business P&C team will prepare the MIS for specific Business and share it with GCPO.
- Any other work/ priority activity as directed by Dy. CEO/ CEO of the business from time to time, in consultation with GCPO.

5. Annexures

5.1. Vendor Development Evaluation and Management is enclosed in Annex.1

Enclosed document will cover following headings: -

- Vendor Development
- Vendor Assessment
- Vendor Master Management
- Vendor Performance Evaluation, Rating & Grading

5.2. Scrap Policy is enclosed in Annex.2

5.3. Payment of Custom Duty & Claim of ITC in case of Import Purchases enclosed in Annex.3

5.4. Technical Evaluation Format enclosed in Annex. 4 to be used for Services of value < 5 Cr.

5.5. Technical Evaluation Format enclosed in Annex. 5 to be used for Services of value > 5 Cr.

5.6. Technical Evaluation Format enclosed in Annex. 6 to be used for Supply of value < 5 Cr.

5.7. Technical Evaluation Format enclosed in Annex. 7 to be used for Supply of value > 5 Cr.

5.8. Forms & Templates

- 5.8.1. NFA Format
- 5.8.2. MOM Negotiation Meeting Form
- 5.8.3. Contract Closure Form
- 5.8.4. Single Vendor Approval Form
- 5.8.5. Completion Certificate Form
- 5.8.6. Analysis of Market
- 5.8.7. Analysis of Need
- 5.8.8. Life Cycle Costing (LCC)

5.8.1. NFA Format:

Note For Approval		
1	ENFA Ref. No. & Date :	
2	Recommendations from (Procurement Dept. GMR Business Sector-Area) :	P&C - Opex / Airports / GGIAL
3	Plant / Business unit / Project Information / Location / Department :	
4	Purchase Requisition No. & Date :	
5	Category of the Procurement (Capex / Opex / Services) :	
6	Scope of Work (Project / Materials & Services) : * Buyer may attach detailed scope as annexure.	
7	Budget as per AOP/Business plan & Currency :	a. Budgeted / Unbudgeted
		b. Total Amount Budgeted in AOP
		c. Already utilised from the budget
		d. Current Utilisation
		e. Budget available
		f. Budget Ref. (Quotation / Old PO)
8	Details of recommended Vendor :	
a.	Name of the Vendor:	
b.	Vendor Code :	
c.	Vendor Contact person :	
d.	Vendor Mail ID :	
9	Price Basis :	
	Proposed Order Value (Basic) :	
	Exchange Rate considered (if applicable) :	
	Taxes (GST) :	
	Freight Charges / Insurance / Custom (For import) etc. :	
	Landed Cost including GST & Other charges :	
	Detailed Price Breakup / BOQ, wherever applicable :	
To be attached as Annexure 1		
10	Purpose of Procurement :	

11	Techno-Commercial Comparative in Brief :						
Sl.No.	Name of the Vendors to whom RFQ floated to	Offers received (Yes / No.)	Technical qualified (Y / N)	Quoted price in INR	Final Negotiated price in INR	Final Recommendation (Yes / No)	Rank of Bidder / Remarks
1							
2							
3							
4							
5							
6							
Note : Extra line items to be added, in case of more than 6 vendors							
12	RFQ, Negotiation / Auction and Savings:						
a.	RFQ Date:						
b.	Name of the existing Vendor :						
c.	New Vendor Credentials: To be attached with New Vendor Evaluation Report :						
d.	Technical Evaluation Sheet (as per ARIBA report/ TE sheet attached/ not applicable) :						
e.	Technically Preference, if any, with reasons:						
f.	Auction Details (Reverse / Dutch / Forward etc.): (Yes / No). Provide details, if yes :						
g.	Negotiation Team :						
h.	Date of Initial and Final Negotiations :						
i.	Minutes of Meeting / Agreement :				To be attached as Annexure 6, if applicable		
13	Savings Achieved (as compared to Initial Quote / LPP/ Budget :						
14	Delivery/Completion Schedule:						
a.	As required by GMR Business :						
b.	Delivery terms as negotiated (Start date and End date):						
c.	Schedule, for staggered deliveries:				To be attached as Annexure 3, if applicable		
d.	Milestone schedule if applicable:						
15	Final specifications agreed with vendor:				To be attached as Annexure 4		
16	Payment Terms (Negotiated) :						

17	Bank Guarantee and Letter of Credit Conditions:	
a.	Advance Bank Guarantee - Validity & Claim Period:	
b.	Performance Bank Guarantee – Validity & Claim Period:	
c.	Letter of Credit, if applicable: Period, amount and agreed draft (to be attached)	
d.	Retention Amount(If Applicable):	
18	Price Escalation / Variation clause, if applicable:	
19	Delivery Location & Address, Contact Person:	
20	Performance Parameters/Deliverables, if applicable:	To be attached as Annexure 5
21	Liquidated Damages for delay / Performance / Replacement / SLA:	
22	Guarantee / Warranty Terms/Defect Liability Period / Latent Defect Liability Period:	
23	Justification & Basis of Vendor Recommendation:	
a.	Lowest Offer :	
b.	Single Party / OEM :	
c.	Repeat Order :	
d.	Rate Contract :	
e.	PO Amendment / Extension - as per Management Approval:	
f.	Post facto regularisation (Yes / No):	
g.	Other basis, if any :	
24	Highlights, if any (Previous rejections/disputes/others) :	
25	Similar Services/Works / Supplies in last six months :	
26	Additional Key Term (To be indicated / attached) :	
27	Approval for exceeded budget, if any :	
28	Deviation from Group P&C Policies / IPP process, if any :	
29	Approvals as per existing (DOP) RASCI Table :	
30	Other Terms to be incorporated in SAP PO:	
a.	Header text :	

b.	Shipping Instructions :	
c.	Reference(s) of recommended vendor :	
d.	Billing (Business Address) :	
e.	Penalty for breach of Contract :	
f.	Other terms & conditions, if any :	

5.8.2. MOM Negotiation Meeting Form**Minutes of Negotiation Meeting**

Date PR No. RFQ No Item Description Date of Negotiation Name of Vendor: Vendor Address:	Attendee -			
	Negotiation Committee Members			
	Sl. No	Name	Designation	Signature
	Vendor's representative:			
	Sl. No	Name	Designation	Signature

Objective:

S. No.	Description	Points Discussed	Conclusion / Decision	Action Items
1				
2				
3				
4				
5				

Closing Comments:

Note: Please attached cost stack-up (Initial & Revise) along with MOM.

Prepare by: -

Prepared on: -

Approved by: -

Vertical P&C Head

Approved on:-

5.8.3. Contract Closure Form

To Be Filled By P&C:					
PO Number:	Vendor Name:			Remark	Date:
Order Date:	Service Description				
Schedule Completion date:	Order Currency	Order Value (excl. taxes)	With Tax Order Value		
Payment Terms:		Security Deposit Terms / PBG Reference			
		Guarantee/ Warrantee Period:			
		LD Clause:			
To Be Filled By User:					
Actual Completion date:	Contract Clouse Out Meeting Y/N : Date:-	Contract Evaluation Rating in % (As per form)	Rating (Very Good/ Good/ Fair/ Poor)		
Comments of user Dept. for Contract Closer:					
To Be Filled By F&A:					
Payment Status:	Final Completion Order Value	LD Recover (if applicable)	Security Deposit	PBG Reference	

Deduction amount if any	Reason for deduction		
Comments of F&A Dept. for Closer of Contract:			
To Be Filled By HR:			
Dues/Status of the statutory Compliances			
Comments of HR Dept. for Closer of Contract:			
Approval:			
Proposed By: HOD User Dept. Date: Reviewed / Recommended By: Vertical P&C Head / Business P&C Head Date: Approved By Business Dy CEO / COO Date :			

5.8.4. Single Vendor Approval Form

Single Vendor Justification Note

Requisitioning Dept.:
Date:
PR No:
PR Date:
Estimated amount: ~
Nature of Purchase: Capex / Material /Service
Item / Service Description:
Recommendation and Approval

Vendor Name & Vendor Code	Basis of selection	Remarks
	Quality & Reliability	
	Prior experience / Quality of services	
	Industry Expertise / Clientele	
	Ability to deliver	
	Criticality of timely completion of work	
	Cost Differential w.r.t. L1 cost.	
	Any other reason:	

Recommended By: Name: Dept. User HOD Reviewed By: Name: Business Procurement Head Approval by: Name: Business Dy CEO / COO Date:-		

Ref. No.

Date:

5.8.5. Completion Certificate Form**COMPLETION CERTIFICATE**

S. No.	Description	Details
1.	Name of Work	
2.	Agreement / LOA No. and Date	
3.	Name of Agency to work awarded	
4.	Agreement value	
5.	Date of Commencement	
6.	Actual date of Completion	
7.	Actual value of Completed work	
8.	Performance of the contractor	
9.	Any adverse remarks against contractor	

Certified that:

- The Works were executed as per the requirement and the performance of agency was good.
- The certificate is issued on the request of the agency for his PQ/ business development purpose and can be utilized only for such purpose.

Authorized Signatory	Authorized Signatory
(P&C Head)	(CEO)

5.8.6. Analysis of Market

GMR INFRASTRUCTURE LIMITED
Analysis of Market

S.No	Item	Remark
1	Objective: To gain through understanding of existing & future capabilities of supplier market to provide same or improved level 1. Services 2. Function 3. Prices	
2	1. Product	
	2. Specification: Physical or described requests (Physical or descriptive requests)	
	3. Application	
3	Present Sustainability Criteria	
4	Expected Sustainability Criteria	
5	Feasibility to new sustainability criteria	
6	Impact of new Sustainability criteria 1. Price Increase 2. Quality 3. Delay 4. Other	
7	Present Customer: Large/ Medium/ Small/ Import	
8	Can we get this: Large/ Medium/ Small/ Export	
9	Can we get this Local Market	
10	Can we get same supplier	
11	Alternative Material Which is more environment friendly	
12	Is new product Material sustainable criteria	

13	Can we get this material from disabled owner	
14	Do we need a new supplier	
15	Do we need a new technology	
16	Do we need a need a new goods, services	

5.8.7. Analysis of Need

GMR INFRASTRUCTURE LIMITED

Analysis of organization Need		
S.No	Item	Remark
1	Alternative Option to need the reducing the frequency	
2	Lease/ Outsource	
3	Consolidation demand	
4	Sharing / Transfer	
5	Recycling/ Replacing/ Reuse	
6	Use of Recycle product	
7	Circular Economy Concept	

5.8.8. Life Cycle Costing (LCC)

GMR INFRASTRUCTURE LIMITED		
LCC Cost		
S.No	Item	Cost
(A)	Purchase Cost: -	
A-1	Basic price	
A-2	GST	
A-3	Transport	
A-4	Insurance	
A-5	Installation	
A-6	Commissioning	
A-7	Training	
A-8	Other	
(B)	Operation Cost: -	
B-1	Energy Cost	
B-2	Annual Maintenance	
B-3	Spares Cost	
B-4	Fuel Cost	
B-5	Other Cost	
(C)	End of Life Cost: -	
C-1	Disposal Cost	
C-2	Decommissioning	
Total Cost		