

No. P-19011/9/2001-IOC (Pt.IV)
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated: the 28th November, 2016

To

The Director (Marketing),
Bharat Petroleum Corporation Limited,
Mumbai.

DSyadav
28/11/16

Sub : Appointment of Service Providers for COCO Outlets.

Sir,

I am directed to refer to BPCL's letter No.RSHQ.C2.201 dated September 16, 2016 enclosing a copy of amended guidelines on the subject cited above.

2. The amended guidelines for appointment of service providers for COCO outlets submitted by BPCL on behalf of the industry have been examined in the Ministry and it has been decided that OMCs may implement the said amended guidelines (copy enclosed).

3. This issues with the approval of Hon'ble MoS (I/C) PNG.

Yours faithfully,

Vinay

(Vinay Kumar)

Under Secretary to the Government of India
Tele : 23386119

Encl : As above.

Copy to :

- (i) Director (Marketing), IOCL
- (ii) Director (Marketing), HPCL

28/11/16
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Unified Industry Guideline

Selection of COCO Service Provider

Guidelines for selection of Service Provider for providing Manpower & Services at Company Owned Company Operated (COCO) Retail Outlets

1. Categories of Candidates for Selection :

1.1 Through Advertisement:

An advertisement will be released in the newspaper inviting applications for appointment of COCO Service Providers. For this purpose, a capsule advertisement will be released in two newspapers giving 30 days time to the applicants. Detail guidelines / Brochure containing application form will also be hosted on the OMCs web site.

75% of the permanent and temporary COCOs are to be earmarked for appointment of COCO service provider thru advertisement. Earmarking will be done through a transparent process of draw of lot on state/UT basis.

1.2 Nomination from Director General for Resettlement (DGR)/ Rajya /Zila Sainik Boards

In case of balance 25%, Director General for Resettlement (DGR) Headquarters/ Rajya and concerned Zila Sainik Board will be approached seeking nominations for eligible retired officials (eligible officers of rank JCO and above).

25% of the permanent and temporary COCOs are to be earmarked for appointment of COCO service provider thru nomination from DGR. Earmarking will be done through a transparent process of draw of lot as stated above.

1.3 The above process of allocating 75% COCOs thru advertisement and 25% COCOs thru DGR through Draw of Lot would be done always with all the available COCOs where either no selection for Service provider has been done and COCOs that have been newly generated.

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2. Eligibility Criteria :

a. Age	Indian National with Minimum Age 21 yrs and Maximum Age 60 yrs.
b. Educational Qualification	Minimum 10th pass (examination conducted by a Board / school)
c. Finance	Liquid assets assessment for Rs. 15 lacs. However, the selected candidate will be required to furnish BG equivalent to 3 days sales which may vary from location to location.
Nominees of DGR / Rajya and Zila Sainik Boards (under para 1.2)	The recommendations of concerned Department besides other eligibility criteria for individuals.

Applicant should meet all eligibility criteria as on the date of application.

Note : Only individuals can apply.

The selected Service Provider will have to register himself with EPF and ESIC within a specified period before commencement of contract

3. Disqualification:

3.1. Following will not be eligible to apply:

- Any Individual holding (including "family" member as defined in the **Note** below) RO / SKO / LPG dealership or LOI for RO / SKO / LPG dealership of any Oil Company.
- COCO service provider of any Oil Company (by any name like Labour Contractor / Job Contractor etc) . However, existing Service Provider / Job Contractor / Labour Contractor will be eligible to apply for the contract of Service Provider for the COCO – already under contract with him/her.

3.2. Person Convicted by a Court of Law for any criminal offence involving moral turpitude and / or economic offences (other than freedom struggle).

3.3. Signatories of dealership / distributorship agreements of any Oil Company terminated on account of adulteration / malpractice.

3.4. The landlord (including "family" members as defined in Note below) of the concerned COCO Retail Outlet site.

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3.5. Non-individual applicants like Govt. Organizations / Bodies, PSUs, Co-operative Societies, partnership firms.

Note: The definition of family unit :

In case of **married person/applicant** the "family unit" will consist of self, spouse and unmarried son(s) / unmarried daughter(s) and in case of **unmarried person/ applicant** the "family unit" will consist of self, father, mother, unmarried brother(s) and unmarried sister(s)."

4. Nature of Contract :

To provide manpower and services for Fuel Dispensing and other related activities including day to day operation and maintenance.

5. Selection Criteria :

5.1. The evaluation of applicants for Service Provider will be made on following parameters :

5.1.1. Thru advertisement

Parameter	Weightage
i Entrepreneurial Capability	
a) Managerial Experience of working in any sector	30
b) Capability to provide suitable manpower	25
ii Financial capability	25
iii Personal Interview	20
Total	100

➤ Minimum 50% marks will be required for eligibility and selection.

5.1.2. For DGR Nominees

Parameter	Weightage
i Entrepreneurial Capability	
Managerial Experience of working in any sector	40
ii Financial capability	40
iii Personal Interview	20
Total	100

Minimum 50% marks will be required for eligibility and selection

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5.2. Guidelines for Evaluation :

5.2.1. Entrepreneurial Capability - Assessment of Managerial Experience of working in any sectors - 30/40 marks:

Managerial Experience	Thru advertisement/ DGR
Maximum marks	30 / 40
Any sector	30 / 40

For this purpose, at least 2 years of managerial experience working in any sector will entitle the candidate for full marks and proportionately for experience of less than 2 years.

5.2.2 Entrepreneurial Capability - Capability to provide suitable Manpower (Not applicable for DGR)

Parameter	thru advertisement
Maximum marks	25
Having capability to provide suitable manpower documentary evidence for the following: Having experience in providing or directly engaging manpower (min 1 year experience of providing min 10 manpower is required. Proportionately less Marks for less number of manpower)	25

5.2.3 Financial Capability:

	Thru advertisement/DGR
Maximum Marks (For Rs. 15 Lac)	25 / 40

Marks will be awarded proportionately on availability of amount subject to max marks as stated above.

Finance/assets owned by the "family unit" of the applicant as applicable under multiple dealership norms of dealer selection guidelines, can be considered for the above purpose subject to written consent in form of notarized affidavit from the concerned member of the family unit.

The requirement of funds for the purpose of BG will be indicated in the notice (in case of DGR) or advertisement inviting applications. This will be

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calculated by the concerned OMC Offices before giving advertisement based on expected value of security (equivalent to 3 days estimated sales).

5.2.4 Personal Interview

	Thru advertisement/DGR
Maximum marks	20

Evaluation under this head will be made based on leading questions during interview to assess the candidate's knowledge/ skills on following parameters:

Sl. No.	Parameter	Max. Marks
i.	Business environment (Labour Laws, ESIC, EPF, Shops & Establishment Act, Factories Act, Contract Labour (R&A) Act, Local Laws such as Trade / Municipal Laws, Safety and Environment and other statutory rules etc.)	10
ii.	Work experience, communication skill, presentability, level of education etc.	5
iii.	On customer service	5

6 Selection Procedure :

- 6.1 Application form for Service Provide will be hosted on the website of OMCs as part of Detail Guidelines / Brochure and can be downloaded free of cost from the website of OMCs or purchased from the OMC Offices mentioned in the advertisement on payment of Rs. 100/- per copy.
- 6.2 Applicants will be required to submit application form along with supporting documents, affidavit and application fee of Rs. 1000.
- 6.3 Applicants would be given opportunity to submit/rectify documents in support of their application form. However no alteration /addition/deletion will be permitted in the application form except putting signature and affixing photograph.
- 6.4 Eligible applicants/ DGR nominees will be called for interview by giving 15 days' notice.
- 6.5 Interview will be held by a committee of 3 officers of the concerned OMC.

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6.6 On completion of interview mark sheet of the applicants would be displayed where in top 3 candidates would be empaneled for selection.

7. Letter of Intent:

LOI would be issued to the selected candidate after 30 days of declaration of selection/results in case the information given in the application by the applicant is found to be correct, and no selection related complaint / court case is pending for decision.

8. Letter of Appointment/Agreement:

A candidate who has been given the 'Letter of Intent' (LOI) would be required to fulfill the terms and conditions as contained therein.

On compliance of LOI conditions, Letter of Appointment (LOA) would be issued and contract / agreement for Service Provider would be made.

An indemnity bond / undertaking will also be required to be submitted by the Service Provider select.

9. Bank Guarantee :

A Bank Guarantee (BG) of amount published in the advertisement/notice to DGR against the COCO location (amounting to estimated sales for 3 days) is required to be furnished by the Service Provider select before issuance of LOA. The Bank Guarantee should be of a Schedule Bank.

Against BG of 3 days sales value, *initial* supply covering 90% of BG value would be released and subsequent releases will be guided by OMC policy. All future supplies would be released against deposit of cash proceeds in OMC's designated local Bank account on day to day basis or RSP value of product by way of RTGS / Pay Order / DD, as decided by OMCs.

The amount of Bank Guarantee would be reviewed every six months in case additional BG is required then the same has to be arranged by the service provider.

Service provider would be reimbursed charges incurred on account of providing BG to OMC at actuals on production of necessary documentary evidence.

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10. **False Information :**

If any statement made in the application or in the documents enclosed therewith or subsequently submitted in pursuance of the application by the candidate at any stage is found to have been suppressed / misrepresented / incorrect or false, then the application is liable to be rejected without assigning any reason and in case the applicant has been appointed as a Service Provider, the contract for Service Provider is liable to be terminated. In such cases, the candidate / Service Provider select shall have no claim whatsoever against the respective Oil Company.

11. **Grievance Redressal:**

- a. Complaint received within 30 days of selection/declaration of result will be entertained. During this period LOI would not to be issued.
- b. In case a complaint is received against selection/selected candidate then issuance of LOI would be kept on hold till disposal of the complaint.
- c. Complaint to be investigated, upon receipt of a fee of Rs.1000/- which is to be refunded if the complaint gets established.
- d. Representations from applicants regarding their rejection need not be accompanied by complaint fee and should be expeditiously disposed.
- e. Complaints with verifiable facts and complaint against selected candidate are to be investigated. Anonymous complaints without verifiable facts will not be investigated.
- f. Complaint would be disposed off within a specified time frame by way of speaking order.

12. **Agreement/Tenure of contract:**

- a. The selected candidate will have to execute a standard agreement with OMC is required to abide by the terms and conditions thereof.
 - b. The agreement with the Service Provider for the **permanent COCO** outlets will be for a period of **three years**.
 - c. The agreement with the Service Provider for the **temporary COCO** outlets will be initially for a period of **one year** with provision of extending the contract period further by one more year (i.e. two years maximum put together).
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- d. The Service Provider if after his appointment is issued an LOI for dealership or distributorship of any Oil Company, he shall have to resign from the contract of Service Provider by giving immediate (within 7 days) suitable notice to OMC for termination of contract within next 90 days. During the period of notice and working as Service Provider, Letter of Appointment (LOA) for dealership should not be accepted nor operation of dealership should be started.

13. Termination of Contract :

The contract can be terminated by OMCs by giving one month notice to the other party or upon severe breach of agreement without any notice as per conditions of the contract. The contract can also be terminated by the contractor with prior 90 days notice for such termination.

The contract will come to an end at the expiry of notice period or contract period automatically.

14. Manpower requirement/Compensation & Remuneration :

A. Manpower :

The manpower for day to day operations will be provided by the Service Provider. The requirement will be provided by the OMC depending on the specific requirement of the COCO location.

Reimbursement of wages for manpower to the Service Provider is to be made actual manpower provided as per Minimum Wages along with PF at applicable rates, gratuity, bonus, service tax and any other statutory payment

For the purpose of arriving at minimum wages, the operating staff will be categorized as follows:

S.No.	Type of manpower	Category
(i)	Cashiers, Fore Court Managers, Managers	Skilled Skilled
(ii)	Driveway Pump Attendants	Semi- Skilled
(iii)	Air boys, Windscreen boys, House keeping boys	Unskilled
(iv)	Security guards.	Unskilled / As per DGR / Sainik Board rates

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B. Remuneration & Incentives :

a. Fixed lumpsum Remuneration: Rs.30,000/- per month

b. Incentive:

Slab	Volume of product (pm)	Incentive Amount /KL	Condition
1	Upto 100 KL	NIL	
2	Beyond 100 & ≤ 175 KL	Rs.75/-	Rs.75 per KL on volume above 100 KL
3	Beyond 175 & ≤ 250 KL	Rs.100/-	Rs100 per KL on volume above 100 KL
4	Beyond 250 & ≤ 350 KL	Rs. 125/-	Rs125 per KL on volume above 100 KL
5	Beyond 350 & ≤ 450 KL	Rs 150/-	Rs150 per KL on volume above 100 KL
6	Beyond 450 & 600 KL	Rs 75/-	Incentive applicable upto 450 KL + Rs 75 per kl for volume above 450 KL
7	Beyond 600 KL	Rs 50/-	Incentive applicable upto 600 KL + Rs 50 per kl for volume above 600 KL

Note: Fixed lumpsum remuneration and incentive scheme would be reviewed after every three years.

C. Reimbursement of operating expenses :

All expenses for running the retail outlet would be borne by OMC including Electricity; Water; Telephone; Stationery; Staff Uniform; etc.

D. Product Loss on account of evaporation and handling losses upto 0.59 % in MS and 0.15 % in HSD of total actual sales made at the outlet will be absorbed by Oil Company. Any losses beyond the ceiling as mentioned above will be borne by the Service Provider and the same would be adjusted / recovered by OMCs on a monthly basis. The losses on month to month basis will be calculated based on the actual sales volume and the prevailing **retail selling price** of the outlet.

15. **GENERAL TERMS AND CONDITIONS FOR OPERATION OF COCOs BY SERVICE PROVIDER:**

- a. The Service Provider will ensure observance of all given instructions from time to time with regard to Quantity and Quality Control, day to day operation, safety etc.
- b. Maintenance of the Outlet and Equipment shall be responsibility of the Corporation while Service Provider will be responsible for proper and safe upkeep, cleanliness and house-keeping of the outlet.
- c. The Service Provider shall give an **undertaking** to the effect that no claim on the dealership will be made in future, in view of having awarded this contract for operation of the retail outlet. This arrangement shall not confer the Service Provider any right to claim permanent dealership or permanent Service Provider for the aforesaid retail outlet at any time nor for any other rights in respect of any other job contract.
- d. The Service Provider will be granted a mere leave and permission to enter upon the site only for the purpose of supporting the business at the retail outlet in the name of the Corporation and for no other purpose.
- e. The premises of the retail outlet shall be deemed to be in the possession of the Corporation and one or more representatives of the Corporation shall always have the right to be in the premises of the outlet.

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