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Pre-Bid Clarifications (Final) of ERP

Queries and Clarifications

1. The requirement also calls for CRM functionality, Customer service, and e Recruitment as is observed. Pls Confirm
 - *No there is no requirement of CRM. CS as a functionality is not applicable in HOCL. Only standard Recruitment functionality in SAP is being envisaged. There is a current third party tool for online applications and the same will continue without any linkage to SAP.*
2. Is a separate PF, EPF and other benefit trust being managed by the customer at present? If yes then is integration with SAP envisaged? Is it expected that the computation of PF interest accumulations, etc be built in and calculated in SAP?
 - *Yes there are PF and other benefit trusts managed by the HOCL. However the fund management, interest accumulations, etc for these trusts will be managed in a separate system (continue from legacy) and only the monthly contributions of employees (initial contributions, loan recoveries, etc) will be sent from SAP Payroll on a regular basis. Building the PF trust management and calculations thereof, etc are not envisaged in SAP.*
3. Is pension payment of retired employees (if applicable) also envisaged thru SAP? (generally not recommended since it will call for additional payroll licenses)
 - *Pension payments to retired employees in not applicable. Payments to Contract employees are also to be kept outside the system (i.e. not a part of the payroll run). Only the final postings thereof will take place in SAP Finance.*
4. Are there any legacy systems with which interfacing is envisaged?
 - *Yes. With Attendance Recording System, DCS (for Manufacturing Execution Systems), Integration with PF trust accounting system*
5. Is tendering functionality expected thru e-tendering? In case yes, they are alternates in SAP envisaged for vendors who cannot participate in e procurement?
 - *No e Tendering (SRM) is not envisaged. All kinds of tendering will be carried out as being done currently.*
6. In purchasing and inventory management is recycling of handling units for material also being envisaged?
 - *No this is not applicable at HOCL*
7. What is the type of costing being followed and being envisaged in SAP? (standard or full absorption costing)

- *Standard Costing. Total Absorption costing/actual costing (i.e. usage of Material Ledger) is not envisaged.*
8. Is there any requirement of deduction of ESI and PF of contract laborers from the contractor bill and remittance of the same by HOCL to the concerned statutory bodies?
 - *Yes this is called for. Provision for recording and remittance of the same in SAP is desirable.*
 9. Is usage of full fledged EHS (environment, health and safety) module in SAP being envisaged?
 - *Yes this is applicable.*
 10. Is the industry governed by any govt subsidy or concessions which need to be accounted for or interfaced with in SAP?
 - *No this is not applicable*
 11. Is planning and management of transportation also envisaged as a part of SAP? (other than capturing details of dispatch lorry, weight, etc)
 - *No this is not applicable (neither the transportation of incoming/outgoing material or transportation management for employees)*
 12. Is weighbridge integration being considered with SAP?
 - *No this is not in consideration*
 13. Are projects executed for customers which need to be created and billed using SAP?
 - *No this is not applicable*
 14. What is the extent of historic data, personal data, salary data, etc that is expected to be migrated in relation to employees working at the organization?
 - *Yes capture of historic data of employees in active service as on date of go live is envisaged (data like date of joining, promotions history, education history, disciplinary actions taken till date, pay scale, etc)*
 15. Is it expected that employees use self service functionality? if yet is it expected for each and every employee or only a particular group of employees? Also what are the normal levels of approvals for requirements like leave applications, loan applications, etc?
 - *Yes ESS functionality is being targeted for about 224 employees (selected employees only). Typically a loan approval has three levels and leave/claims applications have two levels (including that of recommending officer). Travel Management is also envisaged where an employee can apply for business travel, get advance issued and settle the advance against the travel request. Request for travel desk, booking tickets, hotel bookings, etc is not envisaged.*
 16. Is executive information systems (statistical reporting, etc) a part of the solution
 - *Yes standard BI reporting is envisaged.*

17. What is the current level of IT penetration in the organization? what functions are run on IT (production, materials, sales and order booking, maintenance, HR, finance, costing, etc)
- *HOCL has a fair amount of IT penetration and strengthening of the same in identified weak areas is underway with inputs from M/S Wipro.*
18. Is management of documentation and versioning and structure (hierarchy maintenance) of the same also being envisaged? if yes, are also the administrative activities being planned to be covered? (e.g. board notes, meeting minutes, circulars and guidelines, etc)
- *DMS is envisaged for phase 2 and will be applicable only for process related requirements. (i.e. for engineering drawings, designs, quality documentation, etc and not for activities like meeting minutes, board notes, etc)*
19. Is management of real estate also being considered in SAP?
- *This is not applicable*
20. For workflow approvals what are the max and min levels of approvals?
- *About 5 to 6 for purchase orders/work orders and others as mentioned under point 15*
21. Is management of funds and investments (treasury) also envisaged in the system?
- *Funds Management is envisaged.. Treasury is not envisaged.*
22. Are there any specific new initiatives being targeted along with SAP implementation (VMI, Kanban, etc)
- *No*
23. Is the company also engaged in providing and distributing water, electricity, etc within its premises and is billing for the same also being envisaged in SAP?
- *No this is not applicable*
24. Is a separate intranet portal development also being envisaged as a part of the project?
- *Yes a separate intranet portal is being envisaged (only for internal use and not external facing) and ESS and BI will be hosted on the same. Links to other internal systems, documentations, etc are also envisaged to be provided thereon.*
25. What is the location of implementation and what is the overall geographic scope?
- *Cochin Factory, Mumbai (corporate office), Sales/marketing offices/liaisoning offices at Delhi, Chennai, Hyderabad and Baroda. DR is to be set up close to Mumbai (about 40 KMs off) at Rasaini. The implementation will be handled from Kochi.*

26. Is bar code interface considered for material issue, receipts and in production

- *No this is not applicable*

27. # of Core Users for BI and EP

- *About 25 to 30*

28. # of users per estimated for each module

- *FICO (18), SD(17), MM(13), PP(18), QM(10), PM(27), PS(3), EHS(5), HCM(20)*

29. # of concurrent users for each module

- *Full in FICO, SD and MM and 50 percent for other modules. Month end load is expected to be close to 100 % (last three working days of any given month and the first working day of the subsequent month)*

30. The uptime provided is 99%. Is it daily, weekly, fortnightly or monthly?

- *This is monthly*

31. What is the quantum of historic data migration (other than employee history) that is being envisaged?

- *Last financial years closing details to be uploaded. For the current year, monthly and quarterly closing balances to be available.*
- *All master data is supposed to be migrated*

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Response to various Financial Clarifications

1. Whether C Form can be issued :-
C Form cannot be issued

2. Whether Works Contract Tax Has to be deducted :-
In Case of Divisible Contract works Contract Tax is not required to be deducted.

3. Whether Works Contract Tax has to be deducted in case HOCL accepts a Single lumpsum quote :-
Works Contract Tax has to be deducted

4. Income Tax TDS:-
Income Tax has to be deducted at Source from payments.

5. Whether Company can avail input tax credit on Service Tax charged by bidders:-
CENVAT credit can be claimed in respect of the Service Tax paid on ERP implementation

-C-

Sl.No	RFP Section	RFP Reference	Module	Question	Customer Response	Remarks
1			General	Please provide details of your current pain areas in Business Applications, Information Flows and System Integration.	Available on Website	
2			General	Would all core users of HOCL would be at a central location or the team needs to travel to various branches and HO for requirement gathering	ERP implementation will happen from HOCL Kochi premises. However one - two weeks support is envisaged at Head Office during "Go-Live" period. This will be apart from the infrastructure team who will be there in HO for network setup.	
3			General	What are the differences in business processes at branch offices and corporate office	Branch Offices are regional sales offices	
4			General	Is HOCL looking for implementation in a big-bang manner for its Kochi unit, HO and branches or it is looking for a roll out with specific priorities ?	It's a big bang implementation for Kochi Unit, HO and Branch Offices	

Queries on GCC

1	2.1	Clause No;10, Page 15		<p>While submitting the Bid, it can be either a fixed Bid or "not to exceed" based Bid and it cannot be a combination of both. Hence mau please clarify.</p>	<p>The bids have to be submitted on a "Fixed Price" basis only. HOCL reserves the right to ask consultant rate and expense details from L1 party and form a contract on "Not to Exceed" basis wherein If there is a "residual" amount at the end of the project (difference between total implementation contract amount and actual total costs), HOCL will retain the difference by simply not spending the funds. By contrast, if the implementation cost ceiling is exceeded, the Proposer is to finish th e work at no additional compensation, unless HOCL does not meet specific assumptions outlined in the contract.</p>
2	1.3.8	Clause No. 6, Page 11		<p>Please clarify the applicabel time frame for the upgrades/releases.</p>	<p>The questions framed under this section are open in nature and we expect the consortium to provide us their responses to same. More favourable respondents will get a better score</p>
3	3.1.1	Page No:22		<p>Clarify the calculation of the Score. Why the party with maximum adherence is mapped to 100? What is its relevance in the formula.</p>	<p>The score is on a percentile basis. Assume Maximum possible score is 200 Assuming Vendor A gets a score of 180 of a possible 200, he will get a score of 100 Assuming Vendor B gets a score of 170, his relative score wrt to 100 will be $(170/180) * 100 = 94.44$ Assuming Vendor C gets a score of 160, his relative score wrt to 100 will be $(160/180) * 100 = 88$ Hope this clarifies</p>

4	5.10 ii	Page no:36		It speaks of only Transit Insurance. How about Storage and Erection Insurance. We recommend to go in for an MCE Policy. Please advise.	Section 4.12 on "Insurance" specifies that the "Partner / Consortium" is to be responsible for maintaining insurance coverage for the entire duration of the project. This means that "Partner / Consortium / Implementer" will bear the risk till the title of goods is passed (i.e. post commissioning) on to HOCL. It is upto the implementing agency to take either a "MCE" or "CAR" or any other insurance deemed fit.
5		Reports		Please indicate the number of Reports which helps us in working out the efforts.	Will be available on HOCL Website
6		Works Contract Tax		Please indicate the applicable Works Contract Tax in this Project.	Available on Website under clarifications - final section
7		Wipro as a subcontractor		Wipro being the Consultant for this Project, can Wipro take the status of a Subcontractor for the Prime Bidder?	Wipro will not participate as subcontractor
8		Financials		As discussed and in continuation with the letter submitted in the context of submission of financial statements, you may please respond	HOCL has referred this matter to its legal department and will get back to Mahindra Satyam once a response is available

SAP Products in Scope

Customer Name & Data Center Location:

Product details provided by:

Product	Version	Development		Quality/Test		Production		
		IDES/SND	DEV	QAS	TRG	PRD	High Availability reqd?	Disaster Recovery required?
ERP/ ECC								
BI								
EP								
XI								
DMS - Content Server								
CRM								
SRM								
MDM								
SCM								
Solution Manager								
Industry Solution								
Others								

Please indicate Y/N for each product/system

HOCL has indicated its business requirements. It is upto the implementation agency provide modules / solutions to meet HOCL requirements. Please note that we are only looking at solutions available within Core ECC 6.0 Package

SAP ECC 6.0 - User Distribution				
	Total users	Concurrent users		
Total number of SAP Licenses		Low	Medium	High
6.0 SAP ECC				
Concurrent users by SAP ECC module				
FI				
CO	14			
MM	13			
SD	17			
PP	18			
PS	3			
CS				
QM	10			
PM	27			
HR	20			
EHS	5			

** This is only an indicative list.

Topic Category	Questions from Mahindra Satyam	Response by HOCL
Architecture	<p>1. Please provide with the detailed architecture of the existing monitoring and management tool stacks(if any)?</p> <p>2. If HOCL does not have any monitoring tool in place, Is Satyam expected to provide only implementation of Network Monitoring tool which would include monitoring of</p> <ul style="list-style-type: none"> - Networks - Network devices - Security devices <p>OR;</p> <p>Perform the above</p>	<p>Currently, there are no monitoring tools with HOCL</p> <p>We would need only the basic Network Monitoring Tool, no Server, SAN and Application Monitoring tool is envisaged now.</p> <p>This solution is not envisaged in this scope</p>

	<p>mentioned activities and include the following also:</p> <ul style="list-style-type: none"> - Server Monitoring - Database and SAN Monitoring - Application Monitoring <p>3. Would there be any specific vendor monitoring solution requirements. Some of the preferred vendors for Enterprise monitoring tools in market leaders space are:</p> <ul style="list-style-type: none"> - IBM Tivoli/ Netcool - HP OpenView - CA Unicenter <p>Some of the low cost monitoring tool are:</p> <ul style="list-style-type: none"> - AdventNet <p>4. Since there is a huge scope for SAP solutions in this opportunity, is the SAP team going to propose their own monitoring tool which is SAP Solutions Manager. If so, then the ESM team need not propose a new monitoring tool.</p> <p>5. What is the budget allotted for this project?</p>	<p>SAP Solutions Manager comes as a default (packaged) solution in ECC 6.0. The implementer is expected to use all the useful and relevant features of the same. Implementer Evaluation will be factored in considering how effectively the usage of solution manager is proposed.</p> <p>Minimum budget required for the project will be provided</p>
Integration	<p>6. Please provide the key objectives of the Integrations which are expected out of Satyam.</p> <p>7. Please provide a detailed integration map specifying the tools involved.</p>	<p>Current State Assessment and To Be Reports are available on Website</p>
E-mails/Notification	<p>8. Any notifications to be sent to your staff using monitoring tool? If so pl provide the details</p>	<p>Requirements of notifications provided in RFP annexure.</p>

ERP Reports/Formats/Documents

Please find herewith approximate number of Reports/Formats/Documents required by each department with sample lists/formats. This is an indicative list only and HOCL may use standard reports wherever possible. Some more reports might be added or deleted during implementation.

Approximately 250 Nos. of various reports are required.

List of some sample reports are given below:

1. General Reports for departments :

1.	Work Order Management
2.	OverTime/ Shift Schedule Reports
3.	MIS Reports
4.	Hazardous Waste disposal Reports
5.	Reports to Vigilance department

2. Production

1.	Daily/Monthly/Yearly Production reports
2.	Daily/Monthly/Yearly Consumption reports
3.	MIS Reports

3. Sales Order Management

1.	Daily Dispatch/sales Details
2.	Customerwise Offtake Reports
3.	Region Office Sales Reports
4.	Dealerwise Customer reports
5.	List of Pending Orders
6.	Loading Advice
7.	Excise -cum - Invoice report
8.	Form ARE1, AR3A
9.	Various Checklists
10.	Sales Tax Register
11.	Debtors Ledger
12.	Overdue Reports
13.	Offtake Reports
14.	Agewise Analysis Reports
15.	SalesDayBook
16.	Receipts Checklist
17.	CreditNote/DebitNote register
18.	C Forms reports
19.	Annexure to E1 Forms

Quality Management

1.	Consolidated Analytical reports
2.	Quality reports of various Products
3.	Various Analysis reports – Daily/Weekly

5. Materials Management

1.	Purchase Requisition/ Enquiry/ CST/ Purchase Order
2.	PR/ PO Status/Pending/ Listing / Reports
3.	Vendor Management/ Rating
4.	VAT Reports
5.	Stock reports
6.	Stores/Stock/Location Reports
7.	Stock Ledger
8.	Non-Moving Item list
9.	RCV(Receipt Control Voucher)/MRV (Material Receipt Voucher) Reports
10.	Pending RCV
11.	Insurance return
12.	Cenvat records (RG23A, RG23C, Service tax Credit)
13.	Various stores Reports

6. Plant Maintenance

1.	Work Order Management / Bill Settlement
2.	Equipment Management/History / Maintenance Records
3.	Work Permit

7. Project Systems (TSS)

1.	Various Reports to Statutory Authorities (KSPCB/Ministry of ENV.&Forest/Industry/ CMIE)
2.	Various Reports to other Departments

8. Finance Management (Payroll/ FA/ Sales/ Stores Accounting)

1.	Pay Slips (Class/ Category/ Individual/ Range wise)
2.	Payroll Summary (“ “)
3.	Earnings & Deduction statements (“ “)
4.	BP + DA Statement (“ “ “)
5.	PF Contribution Reports
6.	Various Loans Reports
7.	HBA Accrued Interest Projection Statement with Certificate
8.	Professional Tax with Projections
9.	Income Tax Reports (checklist/ Form16/ Form 12 BA-Perquisites)
10.	Bills Payable (Administrative/ Works//Projects) reports
11.	Central Excise/ Service Tax Reports
12.	Sales reports (Debtors/ Sales/ Offtake/ Discounts/ BG/ LC/ Balance confirmation)
13.	Purchase reports (Creditors/ Consumption/ BG/ LC)
14.	Statutory Reports/ Insurance Reports
15.	Final Accounts/ MIS/ Costing/ Budgeting/ Assets
16.	Provision for Conversion of Reports to Excel Formats

Personnel Management

1.	Man Power Reports (Daily/Monthly/ Yearly)
2.	Reports – Joining/ Qualification/ Experience/ Agewise/ Promotion due/

	SC/ST/OBC/Women/PWD/ Category wise/ Classwise/ Seniority (“ “ “)
3.	Annual Performance Appraisal/ Promotion/ Increment Reports
4	Salary Certificate
5.	Employee Requisition for Loans/Advance/LTC/, Sanction etc.
6.	Enquiry-Dispatch-Receipt of quotation & forwarding report
7.	Legal Matters/ Licenses Renewal/
8.	Statutory reports – ESI, F&B, Labour, etc.
9.	Internal Communication like Circulars/Orders, etc.
10.	Training Reports – Needs/orders/nomination/sanctioning/payments
11.	Welfare Reports – Canteen coupon/Subsidy/ RCE/ Tour/ Contract works
12.	Attendance – Muster Roll/ Leave Register/ Summary/ Leave/ Shift/ OT/ Daily attendance/ Regularization/ ManHours/Mandays - Reports
13.	Medical – Health card/ Medical Bills Reimbursement/ Medical Leave/ OP/IP, etc.
14.	Periodic Medical Exam/ Medical equipment procurement etc.
15.	Township Quarter Allotment/ Occupancy status, etc.

10. Fire & Safety Department

1.	Monthly Progress report/ Bi-month monitoring report / MIS Report
2.	Weekly/monthly extinguisher maintenance report/ Extinguisher History
3.	Accident Statistics