

Guidelines for  
Selection of Service Provider at  
Company Owned Company Operated  
outlets (COCOs)

Valid from

**April 2013**

**to**

**2<sup>nd</sup> April 2014**

# **GUIDELINES**

**FOR**

**Selection of Service Provider at  
Company Owned Company Operated Outlets (COCOs)**



**Hindustan Petroleum Corporation Limited**

Retail SBU,  
Hindustan Bhawan,  
8, Shoorji Vallabhdas Marg,  
Ballard Estate,  
Mumbai 400 001

**April 2013**

**GUIDELINES FOR SELECTION OF SERVICE PROVIDER FOR PROVIDING MANPOWER AT COMPANY OWNED COMPANY OPERATED OUTLETS (COCOs)**

**1. Categories of candidates for selection**

**a) Nomination/Sponsorship from Director General of Resettlement(DGR)**

Director General of Resettlement (DGR) Headquarters will be approached seeking nominations for eligible retired officials. The Service Provider will be selected after interview of such nominated officers.

**b) Govt. Departments/Organizations/Bodies, PSUs** can also be considered as Service Provider, in case any bilateral arrangement exists for operation of COCO and the same can be considered on merit.

**Note:** Choice of choosing between option a) or b) above shall rest with Regional Manager.

**c) Others Category:**

In case no suitable candidate is available from 1a above and there is no suitable bilateral arrangement existing as per 1b above, an advertisement in capsule format in two newspapers i.e. One English daily and one Regional Vernacular newspaper having highest circulation in the State, will be released. The draft of advertisement is given in Annexure-B

**2. Eligibility Criteria**

a. (i) For Individual	Indian National : Min Age 21 yrs
(ii) Partnership firms	Each partner should satisfy requirement for individual.
(iii) Registered Co-Operative Societies	Eligible to apply provided they are making net profit during preceding three financial years, as per audited Balance Sheet, prior to year of application.
(iv) Government Organizations/ Bodies,PSUs Limited Companies	No condition for Govt. organizations/Bodies/PSUs, Limited Companies
b. Nominees of DGR (under para 1.a above)	The recommendation of DGR besides other eligibility conditions for individuals.
c. The applicants under a (i), a (ii) and b should have a minimum educational qualification of Matriculation or recognized equivalent.	

**Note-1:** The Service Provider for 'a' above will be selected from persons having enough experience in providing services of deploying manpower.

**Note-2:** Applicant on his / her selection as service provider shall have to register himself with EPF / ESIC within a specified period before commencement of contract.

### 3. Disqualification:

Following will not be eligible to apply:

#### A. Individual Applicants:

- a) Dealers / Distributors / LOI holder(s) of any Oil Company and their family members as defined under **6 b (iii)**. However, this will not be applicable to Govt. Departments/ Govt. Undertakings and Corporate bodies including Companies registered under Companies Act.
- b) Contractor or Service Provider for a COCO (of any Oil Company, by any name like Service Provider/Labour Contractor/Job Contractor etc). However, existing Service Provider will be eligible to apply for the contract of same COCO- under contract with them provided the Service Provider has not operated the COCO for 2 consecutive terms.
- c) Person Convicted by a Court of Law for any criminal offence.
- d) Signatories of dealership / distributorship agreements of any Oil Company terminated on account of adulteration / malpractice.
- e) The land lord/land lady and his/her family unit (as per definition of family unit under **6b(iii)** ) for the concerned COCO Retail Outlet for which he/she is the land lord/land lady as the case may be.
- f) **No one member of a Family unit, as defined under 6 b (iii) can be selected for more than one single contract of Service Provider for a COCO”.**

#### B. Non-Individual Applicants:

- a. **The following categories of Non Individual applicants would not be eligible to apply for Service provider for COCO.**

Companies registered under companies Act, 1956, if holding any RO/SKO-LDO Dealership or LPG Distributorship (or LOI for any of such dealerships/distributorships) or such contract of Service Provider for a COCO of any OMC (by any name like Labour Contractor etc) by any of the following:

- i. The applicant company itself
- ii. Any of the Directors or his family members (family as defined under 6 b (iii) )
- iii. Holding company or Subsidiary company.

Any other company or Firm where shareholders (put together) of the applicant company have controlling stake i.e. 51% or more.

- b. **For organized bodies and Societies registered under Societies Registration Act, 1860.**

Such entities will not be eligible for Service provider contract if any Member of the Governing Body/Managing Body/Any such other Body or his family member (family as defined at 6 b (iii)) already have a service provider contract for COCO of any Oil Company.

- c. Government owned Companies defined as major shareholding with the Government, Public Sector & Joint Sector Units or Government administered Organizations will be exempted from having the multiple service provider contract for COCOs.
- d. DGR nominees would fall under the provisions as applicable to Individual and hence would not be entitled to have more than one Service provider contract.

**4. Nature of Contract**

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

**5. Selection Criteria:**

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

**a. For DGR Nominees**

Parameter	Weightage
i Managerial Experience of working in specific sector	20
ii Financial capability	30
iii Rank	20
iv Age	10
v Personal Interview	20
<b>Total</b>	<b>100</b>

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

**b. For others (thru advertisement)**

Parameter	Max. Weightage
i Experience of providing services of deploying manpower in specific sector	40
ii Financial capability	40
iii Age	10
iv Personal Interview	10
<b>Total</b>	<b>100</b>

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

**For selection through advertisement, Ex- Defence (Indian Army, Indian Airforce and Indian Navy) personnel will be given additional five marks.**

**6. Guidelines for Evaluation**

**a) Experience:**

- (i) In case of DGR sponsored candidates, Managerial experience of working in specific sector

S.No.	Sector	DGR Nominee
	<b>Maximum marks</b>	<b>20</b>
(i)	Petroleum	20
(ii)	Automobile/Transport Services	15
(iii)	Any sector other than above	10

- At least 2 years of experience of working in a particular sector will entitle the candidate for full marks and proportionately for experience of less than 2 years.

**(ii) In case of candidates applying through advertisement, Experience of providing services of deploying manpower in specific sector**

S.No.	Sector	Others (Thru Advertisement)
	<b>Maximum marks</b>	<b>40</b>
(i)	Petroleum	40
(ii)	Automobile/Transport Services	35
(iii)	Any sector other than above	30

- Documentary evidence in support of experience of providing services of deploying manpower in specific sector.
- Full marks for experience of providing above services for 3 financial years (in last 6 financial years) and proportionate for lesser experience.
- Eligibility for counting experience will be deployment of 5 persons for at least 100 days in a calendar year to qualify for marks for that year.

Note : The Documentary evidence would include Wage Register along with Returns filed with any Statutory authorities like ESIC, PF, Labour Commissioner etc, indicating the number of personnel employed or any other equivalent document-

**b) Financial Capability:**

	DGR Nominee	Others (thru advertisement)
<b>Maximum marks</b>	30	40
Minimum eligibility for qualifying	50%	50%

Evaluation under this head will be based on following assets:

**(i) Liquid assets:**

Following will be considered:

- Funds/ Deposits with Bank/Registered Companies/Postal Schemes/ saving accounts.

- Shares of listed Companies in D-mat form (@ 60% of market value on last working day of previous month of application. Valuation certificates to be provided
- National Savings Certificates etc., (@ redemption value on date of application. Valuation certificates to be provided).
- Mutual Funds @ 60 % of NAV on last working day of previous month of application. Valuation certificates to be provided
- Bonds: Redemption value on date of application. Valuation certificates to be provided

In case adequate funds as per requirement of HPCL (**Amount of Bank Guarantee as collateral security as mention in Column-G of the advertisement**) are available under this head, candidate will be entitled for full marks.

**(ii) Fixed & Moveable assets**

Candidates not having sufficient liquid assets can supplement the same with fixed and moveable assets, which will carry **max. 10 marks (out of total marks under head 'Finance' i.e. 30 for DGR and 40 for Others)** – based on valuation certificate from Govt. authorities/ Govt. approved valuer.

(Fixed & Moveable assets will be evaluated @ 40 % of asset value)

**(iii) Other Notes :**

- Having full or more funds than required towards value of collateral/ security for the COCO will entitle the candidate for full marks and proportionately for lower funds in item (i) and (ii) as above. Documentary evidence will have to be provided for each claim.
- Finance / assets owned by the family unit of the applicant can be considered for award of marks subject to the written consent along with supporting documents to establish the capability.
- In case of **married person/applicant** the “family unit” consists of self, spouse and unmarried son(s) / unmarried daughter(s) and in case of **unmarried person/ applicant** the “family unit” consists of self, father, mother, unmarried brother(s) and unmarried sister(s).
- Cash, Jewellery and any other assets where ownership cannot be established and traced will not be considered for award of marks.

**c) Age:**

**Evaluation under this head will be based on the documentary evidence (in case of individual – Matric Certificate or School Leaving Certificate or Passport or Pancard or election card issued by election commission, Incase of non individual- certificate of incorporation of the entity issued by the competent authority) in respect of age submitted by the candidate on following basis:**

	<b>DGR Nominee</b>	<b>Others (thru advertisement)</b>
Maximum marks	10	10

**i. For Individual**

On the basis of completed number of years as on date of application

<b>Age</b>	<b>Marks</b>
<b>&gt;=21 and &lt;30 years</b>	<b>5</b>
>=30 and <45 years	10
>=45 and <60 years	5
>=60 and <65 years	3

**ii. For Non individuals**

On the basis of completed number of years of existence as on date of application.

<b>Age</b>	<b>Marks</b>
More than 5 years	10
More than 3 years but less than 5 years	5
Less than 3 years	0

**d) Personal Interview:**

	<b>DGR Nominee</b>	<b>Others (thru advertisement)</b>
Maximum Marks	20	10

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

the head "Personal Interview" will also be applicable for such Registered Co-operative Societies, Govt Bodies, PSUs Limited Companies etc. as evaluation under this head will be made based on leading questions during interview to assess the candidates knowledge/skills on the following parameters:

Sr. No.	Parameter	DGR Nominee (Max Marks)	Others(thru Advertisement) Max.Marks
i	Knowledge of Labour Laws, ESIC, EPF, Shops & Establishment Act, Factories Act, Contract labour Act, Safety and environment and other statutory rules besides issues related to customer services.	12	6
ii	Work experience, communication skill, presentability, level of education etc.	8	4



e) Rank  
i) For DGR Nominees

Following will be considered:

Rank (of Army)*	Marks
Colonel and above	20
Major and Lt.Col.	15
Below Major	10

\*Equivalent ranks from Indian Air force/Indian Navy would be considered

ii) Ex – Defence personnel applying against advertisement

Ex Defence personnel, applying against advertisement and obtaining qualifying marks for selection (i.e. 50% each in Total and also under head Finance) will be awarded five additional marks over and above marks secured by them out of 100 marks:

**The final empanelment will be made based on total marks obtained by each candidate (and not by percentage of marks).**

7. Security Deposit/Security for Assets of the Company:

- The selected candidate will have to offer collateral security, to the extent of value given in the advertisement by way of BG to the satisfaction of Corporation, before signing of agreement.
- The Service Provider will be required to provide Bank Guarantee equivalent to 5 days sales (MS and HSD) volume on the estimated second year sales which will cover the stocks of the retail outlet. Reimbursement of costs incurred in providing the Bank Guarantee will be reimbursed at actuals to the service provider, on producing necessary documentary evidence.
- Against Bank Guarantee of 5 days sales value, Company would affect initial supply to cover upto 4 days sales (rounded off to 12 kl in case of HSD and to 4 kl in case of MS). The operator shall make payment to the supply location by RTGS/Pay Order / DD as the case may be for the full value of the invoice, which is at RSP for MS / HSD and at normal billing rates for lubes.
- In case, the second year projected volumes are achieved before the second year, specific recommendation would be put up by the Region for increasing the inventory levels to have coverage for 4 days sales but not exceeding the Bank Guarantee limit. Accordingly, enhanced Bank Guarantee to be obtained from the service provider.
- Bank Charges for making RTGS/purchasing pay order /DD shall be reimbursed to the Service Provider on actuals (upon production of receipt from the bank).

8. Application Form

Eligible applicants can obtain application form/detailed guidelines on payment of Rs.50 (Rupees Fifty only) by a Demand Draft drawn in favour of Hindustan Petroleum Corporation Limited payable at the location as indicated in the advertisement.

The application form / detailed guidelines can also be downloaded from HPCL's Website ([www.hindustanpetroleum.com](http://www.hindustanpetroleum.com))

Interested applicants should submit a Demand draft of Rs.1000/- in favour of Hindustan Petroleum Corporation Limited payable at the location of Regional Office, along with the completed application form.

#### **9. Grievance Redressal: .**

- a. An aggrieved person may send his/her complaint to the oil company at the address of the Regional office of company within 21 days from the date of interview. No complaints against appointment of Service Provider will be entertained after 21 days from the date of the interview.

Pending disposal of complaints appointment of Service Provider shall be kept in abeyance. Disposal of complaints shall be as per established complaint redressal system as specified herein below

- b. Anonymous /pseudonymous complaints and complaints not fully substantiated will not be investigated.
- c. When a decision is taken by the Zonal Head to investigate the complaint, the investigation will be done by one Senior Officer of HPCL, nominated by him. The investigating officer shall give a due opportunity to the complainant and shall submit his report to the Zonal Head. Efforts will be made to ensure that the complaints are disposed of within one month from the date of receipt of the complaint.
- d. The investigation report shall be reviewed by the Zonal Head who will issue / give speaking orders, conveying the decision on the complaint.
- e. Decision on the complaint will be taken as under:

**( i ) Complaints not substantiated:** The complaint will be filed and the complainant will be advised accordingly.

**(ii) Established complaint:** Action will be taken with regard to cancellation of the concerned appointment after the due process as applicable.

#### **10. Amendment/ Modifications**

Company reserves right to amend / modify / delete or add any of the above terms and conditions at their sole discretion. Applications submitted strictly not in line with the above guidelines will be liable for rejection without assigning any reasons.

#### **11. Termination of the Contract**

The contract can be terminated by HPCL/either party 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 will come to an end at the expiry of notice period or contract period automatically.

Any Service Provider (Contractor) if after his appointment is issued an LOI for a Dealership or Distributorship of any Oil Company, he shall have to resign from the contract of service and operation of the COCO.

#### **12. Selection of Service Provider:**

##### **a. Cases of Nomination from DGR**

DGR headquarters at Delhi will be approached seeking nomination for eligible retired Officers. The communication should be addressed to DGR at the following address:

**Director General Of Resettlement (SE)  
West Block – IV, R. K. Puram,  
New Delhi – 110066**

The nominated Officers will be advised to submit filled in application form. The eligible candidate will be called for interview giving 15 days notice to attend interview along with application form and Originals of other supporting documents.

**b. For Govt Organisations/Bodies, PSUs**

If any bilateral arrangement exists for operation of COCO, the same can be considered on merit.

**c. For other categories (thru advertisement)**

- i. The selection of service provider shall be after an advertisement in capsule format in two newspapers - One English daily and one Regional Vernacular newspaper having highest circulation in the State. Copy of Advertisement will be hosted on the website of HPCL and the notice board at the concerned COCO/Offices of the Oil Companies.
- ii. 30 days time will be given for submission of completed Application.

**d. Personal Interview :**

The selection of candidate will be made by a committee of three officers. Zonal Head will nominate the interview committee headed by Minimum E grade officer with other two officers of minimum D grade. Committee will evaluate the candidates on the basis of documents submitted by the applicants along with the application (after verification of the same from the original) and performance during interaction / interview. Concerned Regional Manager will not be part of the Interview Panel.

**e. Results of the Interview:**

After completion of the interview, the result alongwith detailed marks scored will be displayed on the notice board of the interviewing location. This list will contain the names of all the candidates who appeared for the interview in descending order of marks scored as a percentage of “applicable marks” for that category, alongwith the details of marks scored by each candidate under various parameters.

If none of the candidates scored the minimum qualifying marks, then the location will be declared as “no candidate found suitable”. Otherwise a maximum of 3 candidates starting with Sr. No. 1 in the list published on the notice board will be treated as included in the ‘merit panel’ for award of service providership for that location. The names of persons included in the ‘merit panel’ will be highlighted in the published list in Bold letters and also in some colour (for eg. Red) for easy identification. The marks awarded by selection committee to the candidates in the merit panel, displayed on the notice board by the selection committee, are subject to scrutiny by a senior officer of the Corporation, who will subsequently submit his scrutiny report to Head Zone. The merit panel so displayed by the selection committee after the interview would be considered as Final only after scrutiny of marks is conducted by the senior officer of the Corporation and found to be in order by Head Zone.

In the event of the Service Provider getting an LOI for any Oil Company dealership/distributorship during the agreement period of a particular contract, the Contract may be terminated by HPCL.

### 13. Agreement with the Service Provider

The selected candidate will have to execute a standard agreement with HPCL and is required to abide by the terms and conditions thereof.

- iv. The agreement with the service provider for the permanent COCO outlets will be for a period of **three years**. For the temporary COCO outlets, it shall be for **one year and can be renewed for one more year subject to the satisfactory performance of the service provider** or earlier till such time a regular dealer is appointed.
- v. The contract can be terminated with one month's notice from either side.
- vi. The service provider shall be responsible for payment to staff employed by him for carrying out the operation of the outlet. The service provider would ensure compliance of all the Labour Laws and shall be responsible for any liability arising out of non-compliance of Labour Laws/Statutory requirements with regard to the staff engaged by him for operation of the outlet. Corporation will not be liable or responsible for any default that may arise due to non observance of laws/rules on the part of the service provider.
- vii. This provision has to be complied with, in consultation with the legal department of the respective Zone to ensure that there is no liability, on this account, to the Corporation.

### 14. Manpower requirement / compensation & Remuneration:

The manpower (staff) requirements for the operations of the COCOs would be of acceptable quality and standards to HPCL. Directionally the manpower to be provided by the Service Provider would be as follow:

#### a) Mandatory Manpower:

i)	Retail Outlet manager/Office staff	One in General Shift
ii)	Forecourt Supervisor	One in General Shift
iii)	Forecourt Sales men (FSM)	One FSM per DU and 2 FSM for each MPD
iv)	Air Personnel	One in General Shift
v)	Security	One in Night Shift
vi)	House Keeping Boy	One in General Shift

#### b) Additional Manpower

Additional staff - one in General Shift (wherever the COCOs are selling more than 300 KL TMF)

#### c) Additional for Club HP Outlets:

Personnel for Windshield cleaning One in General Shift

The actual deployment of manpower can however be fine-tuned by the Regional Manager / Officer In-charge of the COCO. 50% of the FSMs per shift as recommended above may be engaged in night shift.

☑ For the purpose of arriving at minimum wages, the operating staff are categorized as follows:

- i. Retail outlet manager/Office staff, Skilled  
Fore court supervisor

- ii. Forecourt Sales men (FSM) Semi-skilled
- iii. Air Personnel, Security, House Keeping Boy  
Windshield cleaning personnel Unskilled

- Payment to be made to the service provider for actual manpower provided as per minimum wages as applicable in the respective state for different categories along with PF at applicable rate; ESIC; Gratuity; Bonus; Service Tax and any other statutory payment duly certified by the officer of the corporation.
- Fixed Lumpsum Amount per month: Rs 20,000/- lump sum
- Incentives:** In addition to lumpsum payment of Rs.20,000/- as above, following variable incentives will be paid.

SL No.	Volume Per Month	Incentive	Comments
1	Upto 100 KL	NIL	
2	Beyond 100 KL and ≤175 KL	Rs 60/- per KL	Rs 60/- per KL on volume above 100 KL
3	Beyond 175 KL and ≤250 KL	Rs 80/- per KL	Rs 4500 + Rs 80/- per KL on volume above 175 KL and ≤ 250 KL
4	Beyond 250 KL	Rs 100/- per KL	Rs 10500 + Rs 100/- per KL on volume above 250 KL

**Note:** Sales would mean upliftment from supply locations viz., terminals/depots/TOPs etc.

- All the expenses for running the retail outlet would be borne by HPCL including Electricity; Water; Telephone; Stationery; Staff Uniform; etc.
- 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 HPCL. Any losses beyond the ceiling as mentioned above will be borne by the contractor and the same would be adjusted / recovered by HPCL 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.

**The sample for calculating Incentive are as below:**

**1. Say a COCO is selling 150 kl /month.**

Lump sum Amount	--- Rs.20000
Incentive for sales above 100 kl --- 50kl x Rs.60	--- Rs.3000
Total Amount:	--- Rs.23000

**2. Say a COCO is selling 200 kl /month.**

Lump sum Amount	--- Rs.20000
Additional Lump sum Amount	--- Rs.4500
Incentive for sales above 175 kl and below 250kl --- 25kl x Rs.80	---Rs.2000
Total Amount:	--- Rs.26500

**3. Say a COCO is selling 300kl /month.**

Lump sum Amount	--- Rs. 20000
Additional Lump sum Amount	--- Rs. 10500
Incentive for sales above 250 kl --- 50kl x Rs.100	--- Rs.5000
Total Amount:	--- Rs.35500

## 14. General Terms and Conditions

- i. The Service Provider will ensure observance of all the Quality and Quantity Control norms as per Marketing Discipline Guidelines 2012 and any subsequent guidelines, as well as all the requirements of Club HP Standards at Club HP Outlets. All COCOs will be subjected to 3<sup>rd</sup> party Surveillance Audit as developed by HPCL
- ii. Maintenance of the Outlet and Equipment shall be responsibility of the Corporation while Service Provider will be responsible for proper upkeep, cleanliness and house-keeping of the outlet.
- iii. The Service Provider shall be given Quarterly targets in the beginning of each quarter, in cases where the targets are not met, the same will be critically reviewed by the Regional Manager and suitable action taken.
- iv. The Service Provider shall operate the outlet only in the name of our Corporation and shall not operate the same under his name and style or under any other name.
- v. The Service Provider shall execute an irrevocable letter of under taking to the effect that no claim on the dealership will be made in future, in view of having awarded this labour contract or adhoc / temporary basis for operation of the retail outlet.
- vi. The Service Provider shall execute an Agreement as stipulated by the Corporation. He shall abide by, observe and fulfill all the obligations as imposed under the Service Provider Agreement.
- vii. This arrangement of appointment as Service Provider on temporary basis can be terminated by either party, that is to say, the Corporation as well as by the Service Provider with one month notice to the other party at any time. 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.
- viii. The Service Provider will be granted a mere leave and permission to enter upon the site only for the purpose of conducting the business at the retail outlet the name of the Corporation and for no other purpose.
- ix. The premises of the retail outlet shall be deemed to be in the possession of the Corporation and one or more representative of the Corporation shall always have the right to be in the premises of the outlet.