The D.G.M.(CPC)
O/o C.G.M., Maharashtra Telecom Circle,
BSNL, 1st Floor, 'D' Wing, BSNL Admn. Bldg.,
Juhu Tara Road, Santacruz (W), Mumbai –400 054.
☎: 022-26600341.
E-mail: dgmcpcmm@gmail.com;
adcpcmhco@gmail.com.

भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)
IndiaBroadband 2007
Linking India

No. E/443056/ MHCO-CPC/19(16)/1/2023-O/o PGM CFA   Dated at Mumbai, the 14.02.2024

To,

All BA/OA Heads
PGM Bharatnet, Sr. GM(F) MH Circle,
All Vertical Heads in Circle Office.
Sr. CE(Civil), Sr. CE(Elect.), MH Circle,
Sr. GM (TF) Mumbai
Sr. GM WZBC Nodal Pune

Sub: Submit Feedback / suggestions on the guidelines on MM Streamlining Process till 15.02.2024.

Ref: File No: BSNLCO-COMN/18(11)/9/2022-MMP/25 dated: Feb 13, 2024

With reference to subject and letter under reference kindly find enclosed herewith booklet on compilation of guidelines for the MM streamlining Project. The booklet is the compilation of the guidelines issued from time to time and also based on the feedback from the field units.

You are requested to submit feedback/suggestions on the guidelines on MM Streamlining Process till 15.02.2024 on email Id dgmcpcmm@gmail.com.

14/02/24
AGM(CPC-II)
O/o CGMT MH Circle, Mumbai-54

Office of Director(Enterprise)
3rd floor, BSNL Bhawan
H C Mathur Lane, Janpath
New Delhi - 110001

भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

File No: BSNLCO-COMN/18(11)/9/2022-MMP/25 ***dated: Feb 13, 2024***

To,

CGMs & IFAs of all Circles

Sub: Feedback / suggestions on the guidelines on MM Streamlining Process

Please find enclosed a compilation of guidelines for the MM streamlining Project in the form of the booklet. The booklet is the compilation of the guidelines issued from time to time and also based on the feedback from the field units. Before finally issuing the guidelines, it was proposed to seek the comments from the field units.

Hence you are requested to give the feedback / suggestions by **Feb 19, 2024** (Monday) evening to the mail id: bsnl.mm.process@gmail.com with the copy to your zonal director and IFAs may also send the copy to Dir(F).

eSign
Signed by: ASHUTOSH GUPTA
Reason:
MM_Process_25_Feedback on guidelines
Location: Delhi, India
Date: 13-Feb-2024 (04:56 PM)

Ashutosh Gupta

OSD to Dir(Ent)

Copy to:

1. CMD, BSNL for info pl.
2. Dir(CFA), Dir(CM), Dir(Ent), Dir(HR) and Dir(F), BSNL Board Corporate Office for Info pl.

Encl:

1. MM Streamlining Project Guidelines Booklet

2024

MM Streamlining Project

A PROCESS GUIDELINE BOOKLET

USER

Bharat Sanchar Nigam Limited

Office of Director(Enterprise)
3rd floor, BSNL Bhawan
H C Mathur Lane, Janpath
New Delhi - 110001

भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

Table of Contents

Philosophy of Streamlining of MM Process (Change Management)

1. **Challenges Faced in BSNL**
    - **Staff Reduction**: BSNL has experienced a significant decrease in its workforce due to Voluntary Retirement Schemes (VLS) and retirements.
    - **Technological Advancements**: The rapid pace of technological change has made comprehensive staff training increasingly challenging.
    - **Accountability Issues**: With officers handling multiple tasks, it is difficult to assign specific accountability and ownership for tasks.
    - **Inventory Management**: Discrepancies between recorded and physical inventory have led to inaccuracies in balance sheets and audit errors.
2. **Changes Required to Address the Challenges**
    - **Minimizing Task Overload**: Assigning a minimal number of tasks (ideally one or two) to each individual to enhance ownership and accountability.
    - **Centralization of Tasks**: Adopting a centralization strategy where technologically intensive tasks are handled by a limited and competent staff.
    - **Leveraging Technology**: Implementing IT systems for efficient record-keeping, information transmission, analysis, and reporting.
    - **Staffing Solutions**: Addressing staff reduction through strategic centralization or outsourcing of tasks.
3. **Distinction and Division of Jobs**
    - **Circle Office and Business Area**
        - **Centralization at the Circle Level**: Allocating non-fieldwork tasks such as MM, tendering, procurement, and vendor management to the circle office.
        - **Role of Business Areas (BAs)**: Focusing BAs on using services, maintaining lower-level inventory, and managing emergency procurements.

- **User Section and MM Section**
  - **Responsibilities of User Section**:
    - **Project and Asset Management**: Handling asset creation, installation, maintenance, sales, and marketing.
    - **Procurement Planning**: Identifying procurement needs, arranging budgets, and planning projects.
    - **Material Reception**: Receiving procured materials and certifying their condition.
  - **Responsibilities of MM Section**:
    - **Procurement and Vendor Management**: Managing all aspects of procurement, including tendering, issuing purchase orders, and vendor relations.
    - **Inventory Management**: Overseeing the management of inventory and store operations.
    - **Strategic Procurement Practices**: Employing various strategies for timely procurement, including tendering through different platforms and managing store operations.
    - **Vendor Development and Grievance Handling**: Focusing on developing vendor relations and addressing any vendor-related issues.

These changes and job distinctions are aimed at enhancing operational efficiency in BSNL's Materials Management processes, addressing the current challenges effectively, and ensuring smooth and accountable functioning across various departments.

Structure and Job Profile of Each Section

MM Cell Structure at Circle Level- Functional divisions

The circles are categorized into small, medium, large, Non-Territorial and metro based on the number of Business Areas (BAs) and the overall size, which in turn dictates the staffing levels required for each MM Cell.

The structure of MM Cell at Circle level is proposed as follows:-

<table>
<tr><th colspan="5">Circle MM cell</th></tr>
<tr><td rowspan="2">Vendor Relation+L2</td><td colspan="2">Procurement</td><td rowspan="2">Store Management</td><td rowspan="2">Claim Office</td></tr>
<tr><td>Tenders</td><td>Procurement</td></tr>
</table>

Responsibilities of functional divisions

- **Vendor Relations Section:-** The Vendor Relations Section will be the primary interface between BSNL and its vendors. This section is to be tasked with:
  - Managing interactions and communications with vendors, including Vendor Master Data Management in ERP, Bill Suvidha.
  - Addressing grievances and complaints from vendors.
  - Handling audit issues, arbitrations, and any other vendor-related disputes.
  - Above activities to be executed in e office and ERP
  - The L2 Officer will be equipped with all the authorisation and SAP Quality System to provide SAP technical Support to users in the Circle.
- **Inventory Management Section** The Inventory Management Section's responsibilities include:
  - Receiving materials from vendors for the circle.
  - Issuing materials to the BAs, and monitoring their movement in ERP

- Monitoring the balance of materials available in BAs for procurement planning.
- Reporting and analysing inventory status, including identification of slow-moving, fast-moving, or non-moving items, and recommending scrapping of obsolete materials.
- Coordinating with the User Cell on inventory shortages or related issues.
- Most of the activities of this section are executed in ERP
- To ensure physical verification of inventory for Audit purpose.

- **Procurement Cell** The Procurement Cell is bifurcated into Tenders and Procurement Sections:
  - **Tenders Section**
    - Initiates the tender process upon receiving a purchase proposal from the User Section.
    - Prepares tender documents, floats tenders, evaluates bids, and oversees the approval process by the competent authority.
    - Manages all tendering activities from user requirement to finalization of vendors and rates, including the use of the GeM portal or CPP portal, or opting for limited tenders as required.
    - Most of the activities of this section are to be executed in e-office.
  - **Procurement Section**
    - Conducts transactions primarily in ERP post tender finalization.
    - Creates Outline Agreements in ERP based on documents received from the Tenders Section.
    - Issues Purchase Orders (POs) upon receiving Purchase Requisitions from the User Section.
    - Approves invoices processed by the Claim Office.

- Monitors and manages POs, ensuring they are short-closed upon completion of the task.

- **Claim Office** The Claim Office is responsible for:
  - Receiving invoices and performing invoice verification against PO and Delivery.
  - Ensure due reflection of fulfilment / default of contractual obligations of the vendor, in the computation of payable amounts in an invoice.
  - Processing invoices for approval by the Procurement Section. The designation of the approver will be regulated as per order no. BSNLCO-COMN/18(11)/9/2022-MMP dated Oct 17, 2023.
  - Currently handling PO-based invoices only, both for CAPEX and OPEX.
  - Claims office may be a shared resource, handling both vendor & employee claims. Circle with due justification of volume of work and availability of man power may create a dedicated claims office for MM functions alone.

Decision Matrix for GM Level

DGM(MM) of the Circle Office will report to PGM/GM(EB) on the same lines of Corporate Office as GM (MM) reports to Dir(EB).

MM cell Structure at BA Level

At BA level, there is only one functionality of Store management to manage SDCA level stores and issue the material to the field units. MM Cell at BA will also act as L1 for the MM functionalities in SAP for the BA.

BA MM cell	
Store Incharge under AGM(Plg)	Claim Officers for non PO bills under CAO

- **Inventory Management Section:** The Inventory Management Section's at BA responsibilities include:

- Issuing materials for Capex or OPEX to field Units, and monitoring their movement in ERP
- Monitoring the balance of materials available in different SDCA stores.
- Reporting and analyzing inventory status, including identification of slow-moving, fast-moving, or non-moving items, and recommending scrapping of obsolete materials.
- Coordinating with the Circle Store Incharge Cell on inventory shortages, request for inventory items.
- Most of the activities of this section are to be executed in ERP

- **Claim Office Section:** The Claim Office Section's at BA responsibilities include:
  - Receive and process all Non PO based invoices which may include Rent Bills, Property Tax, Partner Commission, etc.
  - This activity may also be shifted once PO based invoices gets stablised.

Decision Matrix

The Store incharge will report to AGM(Plg) of the BA and Claim Officers will report to CAO of the BA.

MM cell Structure at Corporate Office

At Corporate Office all the structure and functionalities will be as that of Cirlce Office with exception of Store Incharge and Clain Office.

- **Store Incharge**
  - Monitoring the balance of materials available in Circles by Stock Diversion.
  - Reporting and analysing inventory status, including identification of slow-moving, fast-moving, or non-moving items, and recommending scrapping of obsolete materials.

- Most of the activities of this section are executed in ERP
- To ensure physical verification of inventory for Audit purpose in all Circles.

- **Claim Office:** The functions of the Claim office at corporate office shall be handled by R&P (Receipts & Payments) Section of Corporate office.

Decision Matrix

The MM Cell headed by GM (MM) in BSNL Corporate office will report to Director (EB).

Centralization and Standardization of Tender Processes

1. **Centralization of Material Procurement Tenders**:
    - Post-implementation of the Streamlining Project, Business Areas (BAs) are no longer authorized to float open or limited tenders.
    - Procurement activities at the BA level are restricted to Local Purchases only.
    - Circle Offices are responsible for inviting tenders for decentralized items, consolidating the requirements of all BAs within the Circle. This approach aims to issue a single, comprehensive tender for the entire Circle's material needs.
2. **Service Tenders Adaptation**:
    - Service tenders require adaptation to the specific needs of services and operational geographies, i.e. BA wise.
    - Such adaptation is not considered as splitting of tenders, ensuring broader vendor participation within a circle.
    - BSNL Corporate Office (CO) will not invite any service-related tenders.
    - Service categories to be tendered by Circles include:
        - OFC (Optical Fiber Cable) Construction
        - BTS (Base Transceiver Station) Maintenance
        - SLA (Service Level Agreement) based OFC Maintenance
        - Housekeeping Services
        - Hired Vehicle Services
        - outsourcing of outdoor plant maintenance based on clusters.

Circle Offices are to ensuring that tenders are BA-wise or for a group of BAs. Grouping should be based on geographic coverage and value of work, promoting competition and multiple vendor participation.

3. **Mandatory Use of the GeM Portal**:

- The Circles need to maximizing procurement activities through the Government e-Marketplace (GeM) Portal. This directive is aimed at enhancing transparency, efficiency, and compliance with government procurement policies.

These measures in the Streamlining Project represent a significant shift towards centralizing and standardizing procurement processes within BSNL, aiming to optimize resource utilization, increase vendor diversity, and improve overall procurement efficiency.

Efficient Handling of Tenders in Circle Office in the MM Streamlining Process

Following the implementation of the MM streamlining process, a crucial aspect of the Materials Management (MM) function involves the meticulous management of tenders. In this comprehensive breakdown, we'll delve into the post-implementation procedure for handling tenders within BSNL.

1. Tender Collection and Control:

After the MM streamlining process is live, it becomes the responsibility of the circle office to centralize control over tenders that were initially floated by various Business Areas (BAs) within the circle. This entails collecting essential details of each tender, including its name, validity period, and rate specifics. Once this information is consolidated, BAs are relieved of further decision-making regarding the tender, whether it pertains to extension or termination.

2. Validity Assessment and Schedule Planning:

Upon receipt of all tenders from the BAs, the circle MM team assumes the task of evaluating the validity of these tenders. Subsequently, they plan the schedule/calendar of tender requirements. If a tender is approaching its closing date and securing an additional six months is feasible, extensions are considered. In some cases, upon floating new tenders, older ones may be short-closed. The circle MM team prepares a calendar of tenders based on these validity assessments and communicates it to the user cell / Verticals of the circle office for the creation of purchase proposal to initiate tender processes.

3. User Section's Role:

The user section plays a crucial role upon receiving the requirements. Based on the calendar of tenders provided by the MM section, the user section solicits requirement details from the BAs. BAs are expected to prepare these requirements, substantiated by appropriate justifications. A well-justified requirement is essential for the circle office's approval. BAs are not required to obtain financial vetting for these requirements, as the complete requirement is vetted and approved by the competent authority at the circle level. The circle's vertical head may adjust the requirement based on budget availability and justifications from the BAs.

4. Preparation of Purchase Proposal:

Upon receiving the requirement details, the circle office's vertical team compiles a purchase proposal, specifying the quantity, specifications, and tender conditions. This proposal is subject to budget management and approval by the competent authority. Once approved, the same purchase proposal is forwarded to the tender section of the MM cell.

5. Tender Section's Responsibilities:

The tender section, upon receiving the purchase proposal, undertakes several tasks:

- Preparation of Tender Documents: The tender section prepares the necessary tender documents, ensuring compliance with all relevant regulations and conditions.
- Evaluation and Approval: It receives and evaluates bids in collaboration with the user section and the finance section. Negotiations may occur if necessary.
- Proposal Submission: After these evaluations, the tender section submits the tender proposal for approval by the competent authority.

6. Procurement Section's Involvement:

Once the tender is approved, the procurement section of the MM cell takes charge. Their responsibilities include:

- Outline Agreement Creation: For each approved tender, the procurement section creates an outline agreement, detailing the rates specific to each BA. This ensures precise control over the quantity allocated to each BA and maintains oversight over the overall tender value.

- The procurement section must ensure that the Outline agreement maps the specifics of the Tender as Vendor, items , Rates BA wise, Quantity and other terms and conditions as per Tender. The approving authority must ensure the correctness and completeness of the data.
- Bank Guarantee Handling: After issuing the outline agreement, the procurement cell handles bank guarantees (BGs), records them in the ERP and then send the physical copy of BG to Account Section who will act as custodian for the BG. The receipt or release management will be handled by Procurement Section.
- After issuing the outline agreement, the procurement section disseminates copies of the outline agreement to all relevant BAs for rate awareness.

7. Await Purchase Requisitions:

With the outline agreement in place, the procurement cell anticipates the creation of purchase requisitions (PRs) for placing the Purchase Order.

In summary, the meticulous handling of tenders post-MM streamlining is a structured process that centralizes control, ensures proper evaluation and documentation, and facilitates efficient procurement. This streamlined approach contributes to BSNL's commitment to precision and effectiveness in its MM activities.

Clarity on the Role of User section and MM Section

The document provided outlines a comprehensive framework for the authorization and approval processes within the Materials Management (MM) sector of BSNL. This framework specifies the roles and responsibilities of different sections within the organization, particularly focusing on the Circle Office (C) and Business Area (BA) levels. The structure of this framework is designed to streamline procurement and financial operations, ensuring that each stage of the procurement process, from the initial proposal to invoice verification, is carried out with due diligence and proper authorization.

Document	Initiator	Approver*	Financial Conc Req.
User Purchase Proposal (before tender)	User Section(C)	User Section(C)	Yes
Standard Tender Document(One time)	MM Section(C)	MM Section(C)	Yes
Tender Document (Standard + User Pur. Proposal)	MM Section(C)	MM Section(C)	No
MM Purchase Proposal (for tender approval)	MM Section(C)	MM Section(C)	Yes
Outline Agreement (based on tender approval)**	MM Section(C)	MM Section(C)	No
Purchase Requisition	User Section(BA)	User Section(BA)	Yes
Purchase Order ***	MM Section(C)	MM Section(C)	No
Service Entry Sheet (based on PO)	User Section(BA)	User Section(BA)	No
Invoice Verification	Claim Office(C)	MM Section(C)	No

* The designation of the approver will as per prevailing Delegation of the financial power where Financial concurrence is required. Cases where financial concurrence is not required, the

designation of the approver can be decided by Unit Head.

** Every tender must be followed by Outline Agreement

*** Every PO must be preceded by Purchase Requisition (PR)

(C) - Circle Office (BA) – Business Area

2. BG to be managed by MM Section while the custodian can be finance Section.

List of tenders types and their corresponding Vertical

SL No.	Items	Section/ Vertical
1.	OFC Construction	Transmission
2.	OFC SLA	Transmission
3.	BTS Maintenance	CM
4.	BTS Card Repair	CM
5.	Copper Cluster	CFA
6.	Hired Vehicle	Admin
7.	Housekeeping	Admin
8.	Local Transporter	Admin
9.	Security Guard	Admin
10.	Electrical Maintenance	Electrical
11.	Civil Maintenance	Civil
12.	Power Plant Module repair	CFA
13.	CSC Outsourcing	CFA
14.	RF Maintenance	CM
15.	Labour hiring on contract	Admin
16.	Any other service	As identified by Concerned CGM

Handling Purchase Requisitions in BSNL's Streamlined MM Activities

Efficiently handling PRs is paramount in the process of streamlining MM activities within BSNL. PRs essentially serve as the gateway to the entire procurement process. It is crucial to pay meticulous attention to PRs as they dictate and regulate the flow of the procurement process. Here is an in-depth look at the importance of PRs and how they are meticulously managed:

Significance of PRs:

1. **Commencement of Procurement:** PRs mark the initiation point of the procurement process. If PRs are not prepared correctly, it can lead to a cascade of issues down the procurement chain. Hence, users need to be particularly conscientious when creating PRs.
2. **Content Control:** Following the approval of PRs, other entities involved in the procurement, such as the MM team, base their actions on the information provided in the PRs. They do not delve into the details of the procurement's validity or correctness but rely on PRs primarily for budget availability when issuing purchase orders (POs). Therefore, it is imperative that PR creators ensure all essential information is accurately included in the PRs.
3. **Financial Approval:** PRs act as the expenditure approval mechanism for procurement. They necessitate approval by a competent authority with delegated financial powers. This approval process involves financial advice, making it a pivotal juncture in the procurement decision-making process.

Scenarios for PR Creation:

PR creation varies depending on the type of purchase and delivery:

Scenario 1: PR for Local Purchase: In instances of local procurement, Business Areas (BAs) have the flexibility to opt for local purchases. They solicit three quotations, evaluate them thoroughly, and subsequently finalize vendors, rates, and quantities. Once this procurement plan is settled, a PR is formulated. This PR must encompass critical details such as the vendor code, item code, rates, quantity, consignee details, and must receive approval from the competent authority post financial advice. Subsequently, based on this PR, the procurement section of Circle Office generates a PO, facilitating the transaction with the chosen vendor.

Scenario 2: PR for Tendered Items: When the quantity for tendered items is well-defined, PRs can be generated by the concerned Vertical of the Circle Office. At this juncture, the requesting vertical has access to comprehensive item and consignee details. Depending on whether the material is intended for inventory, Work in Progress (WIP) for installation, or capitalization for assets, PRs are meticulously composed.

- **PR for Inventory:** For the material which is required to be stocked in stores and issued as and when it is needed, the PR is to be created with the specific quantity, and consignee (Store Incharge of the Circle Office) and the Storage Location as 1099 of the respective BA. 1099 is the SLOC in the BA under the control of Circle Store Incharge.

- **PR for material for Project to be delivered on site:** In this case the PR is required to be generated from the WBS created for the Project. The user section generating the PR is required to have WBS project in SAP in place before generating the PR. On release the material in the Project the PR is generated having the WBS identity. This will ensure the material will directly go to WIP in receipt through MIGO by Circle Store Incharge.

- **PR for material for Capitalisation to be delivered on Site**: In this case, asset of zero value is created and a Internal Order is created based on the asset. A PR is created based on. The PR is required to be generated from the the Internal Order . This will ensure the material will directly go to Asset in receipt through MIGO by Circle Store Incharge

Scenario 3: PR for Inventory-Based Availability: For items where the requirements are defined by inventory availability is subject to variation, BAs can subsequently generate PRs based on these prearranged outline agreements. These PRs necessitate approval from the competent authority and financial advice. The outline agreement effectively governs the total quantity allocation for BAs.

Scenario 4: PR for Periodic Supplies: PRs for periodic supplies, such as Annual Maintenance Contracts (AMCs), can be centrally generated by vertical heads or delegated to BAs. These PRs are predicated on the available budget and typically cover specified periods, with multiple PRs issued accordingly to meet the recurring supply needs.

Scenario 5: PR on a Case-to-Case Basis: For unforeseen and sporadic requirements, such as equipment failures or unexpected maintenance, BAs are tasked with raising PRs. Upon receiving the approved PR, the POs are subsequently issued by the MM section of Circle Office to the designated vendor for prompt action.

In conclusion, PRs function as the bedrock of a streamlined and well-organized procurement process. Thoughtfully crafted PRs not only ensure the correct initiation and control of procurement activities but also serve as a safeguard against erroneous purchases and budget mismanagement. This diligent approach to PR management is integral to BSNL's commitment to efficiency and precision in its MM activities.

Handling Purchase Orders (POs)

In the context of handling Purchase Orders (POs) within BSNL's Materials Management (MM) process streamlining, the procedure can be outlined as follows:

1. **Initiation and Approval of Purchase Orders**:
    - The initiation and approval of POs are to be conducted by the MM section at the Circle Office, specifically within its procurement cell.
    - This process ensures centralization and standardization in the issuance of POs.
    - The unit head is required to issue the delegation to approve the PO based on the value not below the AGM level.
2. **Precedence of Purchase Requisition**:
    - Each PO must be preceded by an expenditure approval in the form of a purchase requisition (PR), which is the responsibility of the user section.
    - The user section in the BA generates this requisition based on the requirements of the materials or services to be purchased. This requisition includes details of the consignee and the quantitative specifics of the order.
3. **Role of Procurement Cell**:
    - Upon receiving the purchase requisition, the procurement section of the MM team initiates the PO, based on the Outline Agreement for Vendor and Item Rates and Puchase Requisition for quantity and Consignee.
    - For local purchases, the necessary information for generating the PO should be readily available in the Purchase Requisition.
4. **Format and Structure of Purchase Order**:
    - The procurement section is responsible for ensuring the correct format and structure of the PO.
    - The terms and conditions, as per the tender, should be clearly detailed in the PO.

- Specific instructions regarding the documentation to be submitted by the vendor at the time of delivery and invoicing should be clearly mentioned in the PO in accordance with Annexure - VIII of this guideline.

5. **Oversight and Compliance**:

- It is the responsibility of the procurement section to ensure that the PO adheres to the established formats, terms, and conditions.
- This oversight is crucial for maintaining consistency and compliance with BSNL's procurement policies.
- The Procurement Cell will periodically monitor the POs and short close if the purpose of the PO is achieved.

6. Workflow Header

- The Initiator of PO should initiate the Workflow/notesheet of the PO with the header in the following format and submit for approval from the competent authority.

" ***Subject: Submission of Purchase Order Number [insert PO number]***

Purchase Order Overview:

- ***Nature of Work/Procurement: [insert nature of work or description of items/services procured].***
- ***Total Amount of Purchase Order: [insert total amount of the PO].***
- ***Description of Goods/Services: [provide a brief description or list of items/services being procured].***
- ***Reason for Procurement: [insert reason for procurement, highlighting the necessity or purpose].***
- ***Reference Outline Agreement [Insert OA No]***
- ***Reference Purchase Requisition [PR No] approved by [insert Approving Authority]***

It is certified that the Vendor, Items, Rates, Quantity and Consignee in the PO are as per the Outline agreement and the Purchase Requisition referenced above. The various terms and conditions have been included as per the concerned tender.

The case is submitted for the approval of the Purchase Order. The approving authority for the PO is [Insert Designation of the approving authority].

- Assign the appropriate approver according to the delegation criteria.
- Submit the PO file through proper channel for approval further.
- The approving authority will then approve the PO after ensuring the correctness and completeness of the proposal.
- If any exceptions or clarifications are needed during the approval process, the workflow can be routed to the concerned officer.

This streamlined procedure for handling POs in BSNL's MM process aims to enhance efficiency, reduce errors, and ensure compliance with procurement guidelines and regulations.

Handling Material Delivery from Vendors in BSNL's Streamlined MM Activities

In line with BSNL's streamlined MM activities, the receipt of inventory or material from vendors is overseen by the Store Incharge at the Circle Office. The material can be placed in any of the storage locations, particularly Storage Location 1099, available in each Business Area (BA) under its jurisdiction. To receive material from vendors effectively, three distinct scenarios must be managed separately:

Scenario 1: Direct Material Placement in Store

- In this scenario, the material is intended to be placed directly in the store and issued as needed.
- A standard Purchase Order (PO) is issued to the vendor based on the PR from the User Section , specifying the required material into the Storage Location 1099 of the BA (there are some more Cirlce stores in the BA for CNTX Circles).
- The vendor delivers the material to the designated storage location, as indicated in the purchase order.
- The custodian of the store acknowledges receipt by signing and stamping the packing list/material list or POD or BCPC. One copy is returned to the transporter or vendor, one copy is retained and one copy to be sent the Store Incharge.
- The custodian must also take a photograph or scan the document and email it to the Store Incharge of Circle Office.
- Upon receiving the document, the Store Incharge initiates the Material Goods Receipt (MIGO) transaction in the ERP system to confirm receipt.

Scenario 2: Material for Installation in a Project

- In this scenario, the material is intended for installation as part of a project, either by the vendor or BSNL.

- The material is required to be sent directly to the project site under the custody of the BSNL project in charge or the vendor.
- A well-defined project structure, Work Breakdown Structure (WBS), or network activities must be in place, along with the necessary budget allocation.
- A Purchase Requisition (PR) is generated based on the WBS, and a PO is created accordingly.
- The material can be delivered directly to the project site.
- The project in charge acknowledges receipt by signing and stamping the document, then returns it to the transporter.
- Simultaneously, a scanned or photographed copy of the signed document is sent to the Planning Cell of the BA which in turn will send to the Store Incharge of the Circle Office. The Planning Cell of the BA being incharge of the Project needs to be prompt in intimating the delivery to Store Incharge so that the material is received in ERP in time.
- The Store Incharge processes the MIGO in the ERP system, and the material is recorded as Work in Progress (WIP) within the designated project.

Scenario 3: Material for Capitalization

- In this scenario, the procured material is intended for direct capitalization.
- Prior to issuing the PO, an asset with zero value is created using an asset number.
- An internal order is generated by the user, and based on this asset, a PR is initiated.
- The procurement section issues a PO based on the PR.
- When the material is delivered, it is sent directly to the user or the location where it will be capitalized, typically under the supervision of the project in charge.
- The user acknowledges receipt by signing and stamping the document, which is then returned to the transporter.
- Simultaneously, a scanned or photographed copy of the signed document is sent to the Store Incharge.

- The Store Incharge processes the MIGO in the ERP system, and the material is immediately capitalized.

In summary, these three scenarios—inventory placement, project installation, and capitalization—each involve their unique material delivery processes, with the common thread being the use of the MIGO transaction to facilitate efficient handling while directing the material to its intended destination.

Handling the Service Entry Sheet (SES)

Comprehensive guidelines for the uniform implementation of the SES within our organization are hereby presented. It is imperative that these steps are diligently followed to guarantee consistency and efficiency in our processes. The following key points should be taken into consideration

1. Delegating Approving Authority:

- The BA head should clearly delegate the approving authority for the Service Entry Sheet(SES). This delegation can be based on the nature of work or the value of the SES.
- The approving authority for the SES should not be below the rank of an AGM.
- The BA head is also required to nominate a Nodal Office who will coordinate and ensure the SES is generated in time. Generally he will be Store Inharge of the BA. He will coordinate with Claim Office and consignee in case the bill is received in Claim Office before SES. Every reference to SES to nodal office by Claim Office should attract negative points in IPMS of the concerned officer (Consignee).
- The SES is to be created by the consignee and must be approved by the concerned officer based on the delegation. He should ensure the relevant documents as per Annexure – VIII are uploaded with the SES.
- The approving officer may ensure the proper certification and documents uploaded for the work before approving. The claim office will not verify SES and proceed with MIRO with the SES approved by the competent authority.
- The SES is to be created as and when the service is completed. The posting date should be actual date of completion else it may involve delayed penalty.
- Since the SES is certification of the service hence should not expect any bill from vendor.
- No separate e-office file is to be processed.

2. Workflow Approval:

- Since no financial approval is required for the SES, the SES can flow directly to the approving authority within the hierarchy.
- In exceptional cases where additional comments or input are necessary, the workflow can be deviated to seek feedback from other relevant personnel.

3. Documentation and Verification:

- Consignees are responsible for ensuring that all necessary documents are verified and uploaded in the Service Entry Sheet (SES) as per the specific requirements outlined in the purchase order (PO) or tender.
- It is also the consignee's duty to verify the quality and quantity of the service provided.
- If penalties need to be imposed, the consignee has the authority to do so, either on a line-item basis or at the header level in the service entry sheet.
- Upon completing the service entry sheet, the consignee must provide a certification in the description (Long text) , stating that the work has been verified and is satisfactory in terms of quality and quantity. This certificate should also specify any penalties imposed and the total verified service amount in the following format.

  "

  1. ***It is hereby certified that the work, [specify the nature of the work], amounting to Rs -------- /- has been thoroughly verified by me and meets the required standards in terms of quality and quantity.***
  2. ***The following documents have been verified and uploaded as attachment***
     - ***A***
     - ***B***
  3. ***A penalty of amount of [insert penalty amount] has been imposed on the account of [mention the reason for the penalty].***

  "

4. Standardized Workflow Header:

- After creating the service entry and generating the workflow, it is essential to standardize the workflow header, or the initial comment of the note sheet.

  "The service entry for PO number [insert PO number] for the work of [insert nature of work]is being submitted. The total amount of service is [insert total amount] with the proposed penalty of [insert penalty amount] on the account of [insert reason].

  The following list of documents that have been verified and uploaded in the SES as per the PO requirements.

  - ***A***
  - ***B***

  [Any other note]

  The case is submitted for the approval of the service entry Sheet. The approving authority for the SES is [Insert Designation]"

5. Submission and Approval:

- Assign the appropriate approver according to the delegation criteria.
- Submit the SES file through proper channel for approval further.
- The approving authority will then approve the SES after ensuring the correctness and completeness of the proposal.

Handling Invoice Verification by Claim Cell

The process of invoice verification by the claim office is a crucial part of our organization's financial workflow. The claim office, situated in the circle office, plays a vital role in handling all PO-based bills that are within the circle. The main responsibilities of the claim office include receiving bills from vendors, verifying these invoices through the ERP system, and submitting them for approval to the designated officer in the MM section.

The invoice verification process encompasses several key steps:

1. Verification against Purchase Order (PO), MIGO/SES and Other Documents:
    - The claim office verifies the invoice against the associated Purchase Order in the ERP system.
    - It should ensure the relevant documents as per Annexure – VIII and uploaded with MIRO transaction.
    - Additionally, the claim office checks the Service Entry Sheet (SES) or MIGO for delivered goods or services. It is only required to ensure that the SES has been approved by the competent authority as per delegation by Unit head.
    - The verification also includes ensuring that the invoice aligns with the terms and conditions specified in the tender, which may involve penalties for non-compliance. However, the imposition of penalties related to work is the responsibility of the consignee, while the claim office ensures that the penalties imposed are in accordance with the contract.
    - The verification will also ensure the compliance of various contractual terms of Contract (as Payment terms, LD etc.) and statutory deductions and arrive at net payment.
2. Receipt of Invoices:
    - Invoices are received from vendors digitally signed via the designated email provided by the claim office.

- If electronic submission is not possible, the claim office may receive physical bills or by mail, which are then scanned and uploaded into the ERP system. In this case, the vendor may be pursued to send the digitally signed invoice.

3. Handling Various Scenarios:

- Four scenarios can arise during the invoice verification process:
    - Scenario 1: No PO exists, and the invoice lacks a SAP PO number. In this case, the claim office returns the invoice to the vendor, requiring them to obtain a PO before resubmission. Simultaneously, the claim office may notify the MM section for PO issuance.
    - Scenario 2: A PO exists and is correctly recorded in ERP. The claim office proceeds with the verification process.
    - Scenario 3: The claim office identifies that delivery has not been recorded in the system, particularly in the case of materials. Here, communication with the consignee through SAP Mail (since there will be only one consignee in a Circle as Store-in-charge of Circle Office) is essential to proceed with the verification process. The claim office can proceed once the consignee confirms the delivery.
    - Scenario 4: In the case of services, if the SES (Service Entry Sheet) has not been executed, the claim office refers the matter to the designated nodal officer through SAP Mail in the respective Business Area (BA) to ensure the SES is completed in a timely manner. Once the SES is completed, the claim office proceeds with verification.

4. Approval Workflow:

- The CGM has the authority to delegate invoice approval among MM section officers (AGM, DGM, or GM levels) based on the invoice's value. This delegation ensures efficient processing and approval of invoices within the MM section.
- After successfully verifying the invoice, including PO matching, delivery confirmation, and penalty assessment, the claim office initiates the approval

workflow. The initiating Officer will write the content in the following format before sending for the approval.

"The invoice No [Insert Invoice Number] dated [Insert date] from [Insert Vendor] against ERP PO [Insert ERP PO Number] is submitted. The details of the invoice are as follows

- *Invoice Number: [Insert Invoice Number]*
- *Invoice Date: [Insert Date]*
- *Submission Date: [Insert Date]*
- *ERP Purchase Order Number: [Insert PO Number]*
- *Name and Nature of Work or Material: [Insert Purpose of PO]*
- *Claimed Amount: [Insert Amount Claimed]*
- *Claimed Deductions: [Insert Deductions Made Against*
    - *Penalty,*
    - *Statutory Deductions,*
    - *TDS, or*
    - *GST]*
- *Nets amount Payable: [Insert Net Amount]*

It is submitted that the vendor's submitted invoice has undergone verification against the Purchase Order (PO) and the corresponding material or service delivery. All penalties assessed are in strict accordance with the stipulated terms and conditions outlined in the respective purchase order or tender.

It is confirmed that the deductions made, whether statutory or related to penalties, are in full compliance with the provisions set forth in the purchase order or tender agreement. The following requisite documents have been verified and uploaded with the MIRO transaction.

1. *A*

2. B

[Any other note]

The invoice is submitted for approval. The approving authority for the Invoice is [Insert Designation]"

- The workflow varies based on the approving authority's designation:
    - If the approving authority is an AGM, the claim office forwards the MIRO (Material Invoice Receipt) document directly to the AGM MM.
    - If the approving authority is a DGM or GM, the claim office sends the MIRO document to the CAO claims. The CAO claims then forwards it to the respective DGM or GM for approval.
- If any exceptions or clarifications are needed during the approval process, the workflow can be routed to the concerned officer.

Handling Procurement at Corporate Office

In the context of BSNL's corporate procurement processes, the Materials Management (MM) section of the corporate office plays a crucial role, particularly for national-level procurements. These often involve capital projects and, in some cases, central tendering of services. The MM Streamlining Project is designed to refine these procedures, ensuring alignment with the processes of circles and business Areas (BAs).

Role of the Planning Cell:

- **Project Conception**: Projects are conceived by the planning cell of the respective vertical. This cell is responsible for the initial conceptualization, planning, and implementation of the project.
- **Initial Steps**: The planning cell begins by determining the project's purpose and scope. It then gathers information from various circles to ascertain the procurement needs in terms of materials and services.
- **Specifications and Approvals**: The planning cell identifies the specifications, terms, conditions, total quantity, timelines, and value of the project. The purchase proposal, once finalized, requires approval from the Management Committee or the BSNL Board.
- **Tender Preparation**: After approval, the planning cell drafts detailed tender documents (Project Specific Content only), including technical specifications and terms. These documents are then approved by the competent authority and handed over to the MM section.
- **Budget Allocation and Project Estimate**: The user section prepares a project estimate or Work Breakdown Structure (WBS),till the BA level with material and services planned. The budget section is then asked to allocate the budget accordingly. The material details can also be inserted in the WBS BA wise. The will help in timely accounting of material at the time of Project implementation.
- **Purchase Requisition:** After the finalisation of tender, the user section then prepare the purchase requisition, as it has all the consignee details and sent to MM Section. If the material is required to be sent directly to the site the PR is to be generated directly from

the WBS so that the same can be booked in WIP of that project upon receipt of the material by the Circle Office store Incharge.

Role of the MM Section:

- **Tender Process**: The MM section is tasked with preparing the tender document based on the inputs from user cell and the existing General Conditionsand floating the tender. It also addresses any clarifications or queries in association with the user cell post-tender issuance
- **Evaluation and Approval**: The evaluation of bids is carried out by a CET committee comprising officers from user cell, MM cell and finance wing. The final tender approval is obtained from the competent authority.
- **Outline Agreement and**: The MM section prepares an outline agreement, item-wise and BA-wise
- **Final Steps**: After the outline agreement, the MM Section prepares the Purchase Order based on the Outline Agreement and the Purchase Requisition generated by the User section in ERP. The final Purchase order is issued by MM cell to the vendor.

Role of the Circle Office:

- **Receipt of Material:** the Circle Office Store Incharge will be the consignee for all the delivery in the Circle. He will execute the MIGO to receive material.
- **Receipt the Invoice:** The Claim Office of the Circle will receive the Invoices (preferable digitally signed) along with POD. It will perform Invoice Verification by executing MIRO transaction and get it approved.

Summary of Roles:

- **User Section**: Responsible for conceiving and approving the project, preparing tender document components, creating WBS, and managing the budget allocation. It also prepares and approves the purchase requisition to be sent to the MM section.

- **MM Section**: Handles the receipt of the purchase proposal, tender floating, evaluation, and finalization. It creates the outline agreement and, based on the user section's requisition, issues the purchase order to the vendor.
- **Circle Office**: Receives the Material and process the invoice.

In conclusion, this streamlined process ensures efficient procurement and project execution, with clear roles for both the planning (user), MM sections and Circle Office within BSNL.

List of documents required by the consignee or the Claim Office

1. *OFC Construction*

Consignee	Claim Office
1. POD Certificate 2. Measurement Book 3. Quality Certificate 4. Document of Penalty, if any	1. Invoice

2. *OFC SLA*

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

3. *BTS Maintenance*

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

4. *BTS Card Repair*

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

5. *Copper Cluster*

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

6. *Hired Vehicle*

Consignee	Claim Office
1. Log book Sheet 2. Document of Salary payment 3. Valid Identity Proof of the driver 4. Document of Penalty, if any	1. Invoice 2. EPF & ESI document

7. *Housekeeping*

Consignee	Claim Office
1. Attendance Sheet 2. Document of Salary payment 3. Valid Identity Proof of the labour 4. Document of Penalty, if any	1. Invoice 2. EPF & ESI document

8. *Local Transporter*

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

9. *Security Guard*

Consignee	Claim Office
1. Attendance Sheet 2. Document of Salary payment 3. Valid Identity Proof of the labour 4. Document of Penalty, if any	1. Invoice 2. EPF & ESI document

10. *Electrical Maintenance*

Consignee	Claim Office

1. Document of Penalty, if any	1. Invoice

11.Civil Maintenance

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

12.Power Plant Module repair

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

13.CSC Outsourcing

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

14.RF Maintenance

Consignee	Claim Office
1. Document of Penalty, if any	1. Invoice

15.Labour hiring on contract

Consignee	Claim Office
1. Attendance Sheet 2. Document of Salary payment 3. Valid Identity Proof of the labour 4. Document of Penalty, if any	1. Invoice 2. EPF & ESI document

16.Any other service

Consignee	**Claim Office**
1. As per PO 2. Document for Penalty, if any	1. Invoice 2. As per PO