

# **SUPLIER EVALUATION, APPROVAL & REVIEW PROCEDURE**

**August, 2005**



**BHARAT HEAVY ELECTRICALS LIMITED**

**New Delhi**

## FOREWORD

Materials constitute one of the most essential and important inputs for any manufacturing process and play an undisputed role in governing the quality of product. Suppliers form a vital link in supply-chain-management system. Successful organizations lay maximum stress on the selection and control of suppliers to ensure continuous and timely flow of quality raw-material, bought-out items and system packages.

The need to evolve a robust and fool-proof supplier evaluation system was realized long –back. An elaborate and comprehensive system was developed in February, 2000 after amalgamating, existing practices of various units, inputs from academic institutions and also incorporating benchmark practices of other leading companies of India and abroad. The implementation of “supplier evaluation, approval and review process” gave a sound start to present strong supplier base.

After about four years of implementation and on the basis of feedback from different manufacturing units and suppliers, a task force was constituted in October, 2004 to look in to feasibility of further rationalization, simplification and refinement of the system. The task-force had detailed deliberations, co-opting members from suppliers Development cell of major units and took mid-course guidance on policy related issues. The document has been revised based on the recommendations of the task force and issued as a controlled document. Audit & review has been made as an integral part of the system to keep it on dynamic footing.

I, sincerely, hope that this system shall be adopted for implementation by all units w.e.f 1<sup>st</sup> September' 2005. Corporate MM Group shall be the nodal agency for ensuring the implementation, capturing feedback during implementation and taking up further improvement.

With best wishes,

Date: 6<sup>th</sup> August, 2005



( RAMJI RAI )  
Director(E,R&D)



## Issue & Distribution Sheet

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### Supplier Evaluation, Approval & Review Procedure

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## **EXECUTIVE SUMMARY**

**The area of material procurement covers not only the process of purchasing but also the activity of evaluation, development and review of the supplier base. In order to bring uniformity as well as to meet the requirement of ISO 9001:2000 /TQM, a task force report on “Supplier Evaluation, Approval & Review Process” was released by Director (E,R&D) in Feb.2000.The system suggested for preparation of Product Material Directory and supplier evaluation , approval & review process has now been in existence for more than for years. A need was felt in Quality Heads meeting held in July 2004 to identify the gaps and difficulties faced in implementation of the system. Accordingly, it was decided to revisit the total system and a new Task Force was constituted on 25.08.2004 with members from Quality and MM of different units and corporate office.**

**The task force members identified the gaps in implementation and discussed the problems faced in the existing system. The focus has been on simplification and rationalization of procedure and Supplier Registration Forms. Role of Supplier Development Cell (SDC), Material Identification & Supplier Control Committee (MISCC), Trained & Certified Assessor (TCA) and Unit level Supplier Control Committee (USRC) has been introduced.**

**The task force members had deliberations in Hyderabad. A presentation was made to Director (E,R & D) for seeking his guidance. Next Task Force meeting was held at Haridwar and presentation was made to GGM (CQ) and GM (Corporate MM). The new Task Force report captioned “Supplier Evaluation, Approval & Review Procedure” has been prepared and is enclosed. The present document is being issued by Corporate MM. as a controlled document for uniform implementation in all units / divisions.**

**CONSTITUTION OF TASK FORCE**

GM (CQ) vide his office order no. QSA/AA/011 dated 25.08.2004 and QSA/AA/011 dated 13.10.2004 constituted the following task force.

1.	Shri S.Vishwanathan,	SDGM (QA), Tiruchirapalli	Member
2.	Shri M.S.S.Rao	SDGM (QC), Hyderabad	Member
3.	Shri J Mukherjee	SDGM (QC-SCR), Bhopal	Member
4.	Shri V.K Bansal	DGM (QC-S&M), Haridwar	Member
5.	Shri S.P.Gupta	AGM,(VD&LP) PEM, New Delhi	Member
6.	Shri P.K.Jain	DGM (Corporate MM) New Delhi	Member
7.	Shri VK Shrivastava	AGM ( MM) , Bhopal	Co-opted Member
8.	Shri T Dhayalamoorthy	Sr.Manager ( MM) , Bhopal	Co-opted Member
9.	Shri MG Phadke	Sr.PO ( MM) , Bhopal	Co-opted Member
10.	Shri Mayank Sharma	SDGM ( MM) , Haridwar	Co-opted Member
11.	Shri B. Subramanyam	SDGM (MM) , Hyderabad	Co-opted Member
12.	Shri RS Deenadayalu	DGM(MM), Tiruchi	Co-opted Member
13.	Shri R.Basheer Ahmed	Dy.Manager ( MM ) , Tiruchy	Co-opted Member
14.	Shri S Venkateswara Rao	DGM (MM) , EDN,Bangalore	Co-opted Member
15.	Shri K.L.Arora	SDGM (CQ) New Delhi	Convener

The terms of reference of the Task Force were as follows :

1. Feedback on implementation of existing guidelines
2. Review of gaps in implementation and issues of concern
3. Analysis and remedial actions
4. Finalisation of recommendations for amendment in the present task force guidelines
5. Presentation to Top Management for approval of recommendations
6. Issue of amendments in the guidelines

## **TASK FORCE APPROACH**

1. Questionnaire prepared to capture the status of implementation of existing system .
2. Consolidation of response received from various units / divisions.
3. Identification of gaps in implementation .
4. Identification of problem area in which difficulties were faced in implementation.
5. 1<sup>st</sup> Task force meeting held at Hyderabad on 27<sup>th</sup> and 28<sup>th</sup> Oct. 2004 .
6. Discussions with GGM (CQ) , GM (CQ), GM (Corporate MM) and representatives sent by Unit MM heads on 8<sup>th</sup> Nov. 2004 at Corporate Office , New Delhi.
7. Presentation to Director (E,R & D) on 8<sup>th</sup> Nov. 2004 at Corporate Office , New Delhi.
8. 2<sup>nd</sup> Task Force meeting on 8<sup>th</sup> and 9<sup>th</sup> Dec. 2004 and presentation to GGM (CQ) and GM (Corporate MM) at Hardwar .
9. Incorporation of decisions taken in above meetings and preparation of draft report by a three member team on 21<sup>st</sup>-24<sup>th</sup> Dec. 2004 and 4<sup>th</sup> – 6<sup>th</sup> Jan. 2005 at CQ, Noida.
10. Final approval of report by all Task Force members and unit MM heads :23-02-2005
11. Review by Shri PT Deo, ED/Bhopal : April, 2005
12. Appraisal to CMD and Director/e<R&D: July,2005
13. Final issue of Task Force report by Corporate MM.: August, 2005

### LIST OF MAJOR CHANGES

- 1) A new Chapter on “Structure and Role of Main Functionaries” has been added to highlight the role of SDC, MISCC, USRC and TCA.
- 2) MISCC is to be constituted by GM\*.Approval by Unit head not required..
- 3) Receipt of Registration Form, submitted by supplier is to be acknowledged spontaneously in case of on- line submission and within 3 days in case the form is sent by post.
- 4) Assessment rating OS1 / OS2 / OS3 of “Organisational Soundness” made more stringent.
- 5) Formats rationalized, simplified and reduced. Guidelines and checklist introduced, both for indigenous and foreign suppliers to facilitate filling up of Supplier Registration Form.
- 6) Filling up of Quality System format for ISO 9001-2000 accredited suppliers eliminated.
- 7) Materials categorized as “Direct” and “Indirect” materials. Classification of indirect materials in X/Y/Z and Critical/Major/Minor categories not envisaged.
- 8) Need for visit to supplier’s works to be decided by MISCC. It is no longer **mandatory** for any category of material.
- 9) Only **one** TCA shall be part of visiting team in place of **two TCAs** recommended earlier.
- 10) A new chapter added to deal with the different categories of suppliers like Agents / stockists / Traders etc, Sister unit approved suppliers, Collaborator approved suppliers, Sister Units, Suppliers of national / international reputation, Foreign Suppliers and Sub-suppliers.
- 11) The entire process of registration to be completed within 3 months in case there is no visit to supplier’s works and five months in case of visit to supplier’s works.
- 12) Supplier to be informed in case of enlistment, annual SPR and de-listing/ banning.
- 13) System to be audited every year for compliance through Unit MM.
- 14) System to be reviewed by Corporate Quality after every two years for effectiveness.

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## STRUCTURE AND ROLE OF MAIN FUNCTIONARIES

1.0 Supplier registration is considered to be one of the primary and most important activities of MM functions. This is the entry point of a supplier in BHEL family. A carefully chosen supplier will be an asset to the organization and an error of judgment may create problems for BHEL. A supplier should be reliable and quality conscious and should not focus on profit alone. Thus, the system aims to identify and include only quality, reliable and cost effective suppliers. This activity shall be carried out through the following main functionaries:

- i) Supplier Development Cell (SDC)
- ii) Material Identification and Supplier Control Committee (MISCC)
- iii) Unit supplier review committee (USRC)
- iv) Trained and Certified Assessor (TCA)

### 2.0 **Supplier Development Cell (SDC):**

2.1 SDC shall be the nodal agency for all activities related to supplier registration. It will provide single window service to suppliers and liaise with other functionaries for evaluation , assessment, visit to suppliers' works and enlistment activities.

2.2 The main role of SDC is:

- i) To adopt pro-active role for identification of new suppliers through web search/news papers/ magazines etc. apart from regular receipt of supplier requests and keep MISCC informed.
- ii) Registration of suppliers wherever the effective number of suppliers is inadequate in line with MISCC recommendation.
- iii) Initial scrutiny of registration forms/ other requests and follow up supplier's application with MISCC for timely decision.
- iv) Follow up with suppliers for gaps in the information submitted by the supplier and as required by MISCC.
- v) To form supplier evaluation team and coordinate visit to suppliers' works as per recommendation of MISCC.
- vi) To arrange timely review of assessment report submitted by supplier evaluation team by MISCC
- vii) To arrange final recommendation from MISCC and approval by USRC / competent authority.
- viii) To ensure compliance of procedural guidelines during registration process.
- ix) To maintain and update continuously Product Material Directory.
- x) To maintain suppliers' performance rating data and arrange periodic review.

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### 3.0 Material Identification and Supplier Control Committee (MISCC)

Engineering division conceptualizes the items required for a product, which is processed in the shop by Manufacturing division. Quality Management division ensures that the inputs and products conform to the specification & Material Management division facilitates the process of procurement. Thus, the process of procurement is influenced by all these disciplines. For the purpose of identification and categorization of materials, recommendation for registration of suppliers and other related activities, a cross function team termed “**Material Identification and Supplier Control Committee**” (MISCC) is constituted.

#### 3.1 Constitution of MISCC:

MISCC consists of representatives of Engineering (for Direct Materials), Technology / Indenter (for sub-contracted / indirect materials), Manufacturing, Project Management (wherever applicable) , Quality Management and Materials Management. Member from any other function can also be co-opted in MISCC. The functional Engineering/ Technology/ Indenting Deptt. head will be the Chairman of MISCC and MM representative will be the Convenor.

MISCC would be constituted by the Head of Engineering , Product Head or an executive nominated by the Unit Head not below the rank of an AGM ( hereafter, referred as GM\*).


#### 3.2 Role of MISCC

The main role of MISCC is:

1. Preparation of Product Material Directory (PMD).
2. To scrutinize suppliers’ applications/ registration forms and arrange assessment from Trained & Certified Assessor .
3. To identify the gaps in information submitted by the suppliers.
4. To give recommendation regarding rejection, acceptance or necessity of visit to suppliers’ works.
5. To review assessment report submitted by the Supplier Evaluation Team and give recommendation regarding registration of suppliers.
6. To periodically review PMD for addition/ deletion of new items/ suppliers.
7. To keep the PMD updated and cleaned up through periodic review of performance of suppliers and other PMD parameters.

#### 4.0 Unit supplier review committee (USRC)

- 4.1 USRC is an apex body with Head of MM as the Chairman. Other members and composition of the USRC shall be as follows :-

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Head , MM	-	Chairman
Concerned MM group	-	Concerned MM group Head
Sub-contracting	-	Head sub-contracting
Quality	-	Head BOI quality
Engineering / Technology / Indenter	-	Functional head
Finance	-	Head purchase finance
SDC	-	Convener

Any other member may be co-opted by Chairman.


4.2 The main roles of USRC are :-

1. Approving authority for allotment of permanent codes to suppliers.
2. Approving authority for re-instatement of de-listed suppliers.
3. Periodical Supplier Performance Review
4. Providing guidelines for registration and retention of suppliers from time to time.

5.0 **Trained and Certified Assessor (TCA) :**

The main role of Trained and Certified Assessor is :-

1. Evaluation and assessment of Supplier Registration Forms
2. As a member of the Supplier Evaluation Team, verification of evidence for Organizational Soundness, Quality Systems, Technical Competence and other information submitted by the supplier and referred by MISCC.

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## IDENTIFICATION AND CLASSIFICATION OF MATERIALS

1.0. The materials for procurement can be classified in two categories:

**Direct Materials**: Materials, which go directly into the Project/Product/Site/Systems.

**Indirect Materials**: Material other than above, such as consumables/ packing etc which are used for manufacture of our despatchable products and materials such as coal, cement, kerosene etc which are used to run the essential services/ machine tools.

1.1 The material to be procured from outside sources is first identified by MISCC.

2.0 Purchase of Direct Materials can be of the following types:

2.1 Purchases as per performance specification (i.e. as per Supplier design / Technology) - Type X

2.2 Purchases as per BHEL design specification. This can be further categorised in two parts:

2.2.1 Material is of supplier but design & Technology is of BHEL. - Type Y

2.2.2 Material as well as design and Technology is given by BHEL. - Type Z

3.0 MISCC will list out items to be procured in the above three categories and define the applicable specifications like IS/BS/Corporate/ Unit specification against each item or against each material category. MISCC will also define Quality Control norms for each item/ Material category. The spreadsheet would look like spreadsheet no. 1.1 of Annexure-I.

4.0 The next step is to divide the items in following three categories :

4.1 Critical items :


Critical items are those which affect the performance of equipment / next stage of assembly / safety of product.

4.2 Major items :

Major items are those which affect the operation of equipment /maintenance of equipment and cause discomfort from customer point of view.

4.3 Minor items :

Minor items are those which do not fall under above two categories.


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The spreadsheet would now look like spreadsheet no. 1.2 of Annexure - I.

- 5.0 Purchase of Indirect Materials: The above classification (X/Y/Z, Critical/Major/Minor) is not necessary in case of indirect materials.
- 6.0 MISCC would identify the established suppliers based upon the past performance and name suppliers would be indicated against each item / material category.
- 7.0 MISCC would incorporate the supplier control checks and product control checks against each supplier out of the probable checks and also indicate performance rating. The spreadsheet would finally look like spreadsheet No. 1.3 of Annexure - I.
- 8.0 The list so formed will be called "**Product Material Directory**" (PMD) which will be a controlled document. The Flow chart is given at 10.0
- 8.1 GM\* would approve the PMD. For addition or deletion of any item or any supplier; recommendation of MISCC and approval of GM\* would be required.
- 8.2 Purchases shall be made out of PMD only.
- 8.3 For addition/ deletion of new item/ suppliers, MISCC shall review the PMD at least once a year.
- 8.4 MISCC will identify the need for more suppliers/ or identification of new item to be procured.
- 8.5 The need for additional supplier/ new items would be clearly spelt out and put up for approval of GM\* as per form - spreadsheet no. 1.4 of Annexure -I.
- 8.6 One time suppliers of the items procured rarely like spares of machine tools & equipments and customer- specific items need not be included in PMD. Un-registered suppliers are also not to be included in the PMD. For local purchase supplier enlistment is not required.

Thus, purchase of items from outside sources and selection of suppliers is controlled by GM\*.

The purpose behind preparation of PMD is that the buy or make decision as well as supplier is checked at enquiry stage itself, as otherwise it is very difficult to weed out incompetent suppliers at a later stage because of contractual obligation.

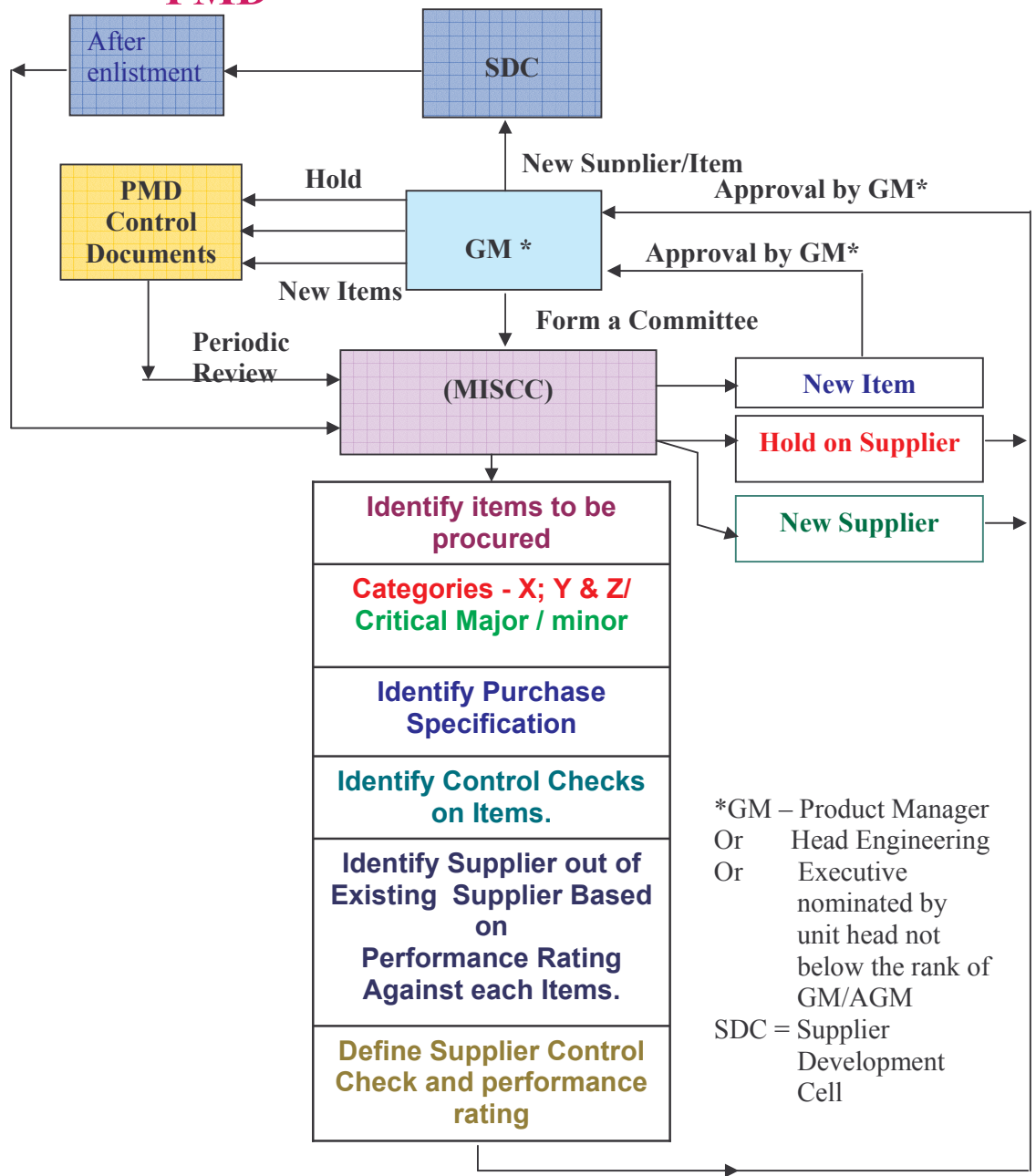
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## 9.0 Product Material Directory (PMD) - Advantages:

- a) As the items to be procured are already listed, MM has fairly good idea about the quantum of work of procurement and can plan as to which items should be covered in rate contract; which items to be identified for one time procurement etc. This would go a long way in controlling the prices as well as locating reliable sources since, MM will have sufficient time to work out the procurement strategy.
- b) The PMD identifies the items along with the applicable purchase specifications. This would help in selecting in advance the suppliers who meet our purchase specifications; so that once the indent is received, only price can be obtained from the suppliers. This would eliminate the time consumed in clarification / counter clarification on technical matters which would greatly reduce the procurement time. As a further refinement, even the commercial terms can be frozen in advance.
- c) The PMD identifies the quality control requirement of items as well as supplier checks. These checks can be different for different suppliers depending upon their competence. Thus, MM will be able to include these checks at the tendering stage itself so that the supplier will quote considering these quality requirements as otherwise introduction of quality checks after tender opening gives suppliers an opportunity for maneuverability.
- d) MISCC would review the PMD at least once in a year and keep the same cleaned up. During the review, existing suppliers can be reviewed and new suppliers can be added. Thus, MM can take up the exercise of development of new suppliers in a planned way.
- e) Even the procurement of new item would need GM\* 's approval. This will avoid the risk of procurement of items from outside sources, which would affect our future business.



## 10.0 FLOW CHART - PMD



\*GM – Product Manager  
 Or Head Engineering  
 Or Executive nominated by unit head not below the rank of GM/AGM  
 SDC = Supplier Development Cell

**SDC = Supplier Development Cell**

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## SUPPLIER REGISTRATION AND ASSESSMENT SYSTEM

### 1.0 INTRODUCTION

The system aims to select reliable suppliers and differentiate between quality conscious professionals from those who are in the business for profit alone. The system would weed out such supplier at the initial stage itself. Otherwise entry of such suppliers in BHEL family would pose a serious problem of first order like delays and substandard supplies, contractual litigation, unrealistic price etc. which would consume most of our productive time.

As per basic theme, reduction in non-conformance improves quality and ultimately profit. Quality can be assessed only when it can be measured and we cannot measure which is not defined.

The supplier registration and assessment system in this chapter is based on above basic philosophy.


The formats for assessment of supplier are based on numerical rating and, therefore, subjectivity is minimized. Parameters have been clearly defined and are measured by numerical rating. Changes in quality status are controlled by way of changes in numerical rating.

### 2.0 Supplier Registration and Assessment

2.1 The aim of selection of suppliers is to assess those suppliers who are willing to supply equipment / product/ item to BHEL as well as capable of delivering in required quality and quantity; who can be depended upon as a continuous source of supply under all conditions, who are willing to keep their delivery promise and other service obligations such as warrantee / after sales service etc. and who are price-wise competitive.

2.2 The following Supplier Registration Forms are to be used by different categories of suppliers :

Indigenous suppliers :	Organisational Information	Form no. VOR AA01
	Quality System	Form no. VQS AA01
	Technical Competence	Form no. VTC AA01
	Score Sheet	Form no. VSS AA01
Foreign Suppliers	Organisational Information	Form no. VRG AA01
Stockist / Trader / Authorised agent / Indian sales office or subsidiary of foreign supplier	Organisational Information	Form no. VOR AA01

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### 2.3 Supplier Registration Process

The process of source selection can be categorised in following stages :

2.3.1 Information Stage

2.3.2 Assessment Stage

2.3.3 Enlistment Stage

### 3.0 Information stage:

The information about suppliers is received in Supplier Development Cell (SDC) through following channels :

- a) Supplier approaches directly.
- b) Information received through various disciplines of organisation such as Engg. /MM / Technology etc.
- c) Through Web search/ News papers/ Magazine/ Business Catalogue / Exhibitions/ Seminars / Electronic media, etc.
- d) Press Tenders.
- e) Customer / collaborator recommendation

3.1 Recommended guidelines for dealing against each of above situation.

3.1.1 For S N..0 (a), (b) and (c), the documents sent by suppliers will be scrutinized by SDC and referred to the Convener of the concerned MISCC for review by MISCC. The recommendation of MISCC may be either of the following:

- a) The item is not required or
- b) In case item is required, Supplier Registration Form , as per Annexure-II, will be sent to the supplier.

3.1.2 For sl.no. 3.0 (d) and (e), in case of un-registered supplier, the necessary Supplier Registration Form will be sent to the supplier along with the tender document for filling up and returning with the offer .

### 4.0 Assessment Stage:

- i) On receipt of filled-up Supplier Registration Forms, SDC will send an acknowledgement to the supplier within three days.
  - ii) MISCC shall scrutinize the registration forms and arrange assessment from a Trained and Certified Assessor. The MISCC will give any of the following recommendations within one month:



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- 4.1 Supplier is not up to the mark or there are sufficient suppliers and adding a new supplier would not give any benefit to BHEL. The SDC will intimate the supplier accordingly.
- 4.2 Supplier can be considered provided he makes improvements in the indicated areas.
- 4.3 Supplier can be considered but assessment is required by visiting the supplier's works.

SDC will form Supplier Evaluation Team consisting of members from concerned purchase, quality and engineering/technology/indenter departments. The team shall comprise of three members, of which minimum one shall be a Trained and Certified Assessor.

MISCC will review the assessment report of the Supplier Evaluation Team and give final recommendation to SDC regarding Development (trial) code.

- 4.3.1 Based on details furnished, the supplier can be considered for Development (trial) code (no visit necessary).

For details regarding Development (trial) code, refer Chapter-IV on "Supplier Enlistment".

**5.0 Enlistment stage:**

Based on the recommendation of the MISCC, enlistment of the supplier shall be done as per procedure in Chapter – IV.

**6.0 Assessment Process:**

The supplier shall fill the Supplier Registration Forms given in Annexure – II for assessment on the basis of following three criteria :

- a) Organisational Soundness - Part A
- b) Quality System adequacy - Part B
- c) Technical Competence - Part C

- 7.0 **Organisational soundness** will be judged on the basis of information furnished by the supplier on the following aspects :

General information about organisation, which includes: -

- a) Ownership information;
- b) Financial information ;
- c) Registration particulars;
- d) General manufacturing facilities
- e) Industrial relations

Supplier must answer all questions.

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8.0 Quality System will be judged on following aspects :-

- a) Incoming Material Control
- b) Process Control
- c) Control of Non-conformance.
- d) Control of measuring & monitoring device
- e) Conformance to Safety Requirement
- f) Customer Supplier Communication.

The forms placed at Part-B of Annexure - II relate to Quality System.

9.0 **Numerical rating** is assigned for each question . Questions, which are mandatory, are marked as \*. The scale is 0 to 3 with following guidelines :-

- |   |   |  |
|---|---|--|
| 0 | - | Non-compliance                                 |
| 1 | - | System in rudimentary stage                    |
| 2 | - | System exists with minimal discrepancies       |
| 3 | - | System in mature stage (meets all requirement) |

Each question will be judged on 3 factors; written procedure, system in effect and adequate records.

For each section a numerical percentage is calculated. The use of this percentage is to monitor changes that occur in supplier's system. The mandatory questions are so basic that the supplier must achieve a rating of two or better to obtain an overall rating of satisfactory. In addition, each section must yield a minimum score of 70% to obtain an overall satisfactory rating.

#### 10.0 **Technical Competence:**

##### 10.1 **For jobs to BHEL design & technology:**

The technical competence of supplier will be judged on the basis of his understanding about BHEL product specification and its criteria, the process capability of the machines available with the supplier and the experience of the manpower.

##### 10.2 **For jobs procured on the basis of performance specification** (Design & technology is of supplier):

As design & technology is of supplier, BHEL cannot give the dimensional tolerances but only specify the performance specifications in following manner:

- a) Critical performance specifications
- b) Major performance specifications
- c) Minor performance specifications

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10.3 While assessing the supplier for performance specification, we have to examine :

- (i) Design capability for the product to achieve the desired performance specification
- (ii) Quality control plan & verification of its implementation & acceptance criteria
- (iii) Process capability to produce critical components & major components
- (iv) Adequacy of final product testing.

Part-C of Annexure - II relates to Technical Competence assessment.

**11.0 Assessment Criteria:**

Assessment criteria have been described in Part-D (Score Sheet) of Annexure-II and suppliers will be classified accordingly.

**12.0 Supplier Evaluation Period:**

After receipt of self assessed forms from a supplier, the evaluation shall be completed within three months in case no visit is required and five months in case visit is required.

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## SUPPLIER ENLISTMENT

### 1.0. **Type of enlistment :**

Considering the total business operations of BHEL involving purchase of raw material/components/capital equipments from different type of business organisation like manufacturers/ authorised stockist / agent etc., following categories of enlistment are recommended to differentiate repetitive requirement or one time requirement or whether supplier is under development (trial) or established.

#### 1.1 **One time code:**

For items to be procured rarely, or urgently, like capital equipment from Original Equipment Manufacturer, spares of machine tools, proprietary items and customer specific items, a onetime code will be allotted against which only one order is permitted at a time and supplier performance rating is not mandatory. Local suppliers may also be allotted one time code. MISCC recommendation / approval of GM \* / USRC is not required. However, approval of Chairman USRC will be required. Suppliers with one time code are not to be included in PMD

#### 1.2 **Development (Trial) code:**

Based on recommendations of MISCC and approval of GM\*, development (trial) code shall be permitted for maximum three trial orders against a particular material category. However, in exceptional cases, more than three orders can be allowed with the permission of GM\*.

Suppliers obtaining assessment rating as “Good” or “Fair” shall qualify for enlistment under this code.

#### 1.3 **Permanent Code :**

After successful execution of minimum three orders under development (trial) code, the concerned MISCC Convener shall seek approval of Unit supplier review committee (USRC) for permanent code to the supplier .The performance shall be reviewed against the trial orders and decision to allot permanent code will be taken by USRC .No further recommendation of MISCC or approval of GM \* is required at this stage.

Suppliers obtaining assessment rating as “Excellent” or Very Good” shall qualify for this enlistment under this code.

### 2.0 **Allotment of additional material category to existing suppliers :**

In case a supplier is already registered in some material category on development (trial) / permanent basis and necessity arises to add/ change material category, within the same

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generic type of material, MISCC shall examine supplier's request. If the supplier is found technically acceptable, MISCC shall send the recommendation duly approved by GM\* to SDC for addition of the supplier in the recommended category. The status of the supplier (i.e. development/ permanent ) shall be maintained.

In case the new item / material category is not of the same generic type of material for which the supplier is already registered, complete assessment by MISCC shall be required.

### **3.0 Reactivation of Inactive Suppliers**

On the recommendation of MISCC and approval of GM\*, Chairman USRC shall be the approving authority for reactivation of such supplier on the availability of prima facie details.

### **4.0 Other categories of Suppliers :**

Above enlistment procedure applies primarily to the indigenous manufacturers and suppliers. There are other exempted categories of suppliers also who have been dealt with in chapter V

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## TREATMENT OF OTHER CATEGORIES OF SUPPLIERS

1.0. There may be categories of suppliers other than Indian suppliers/ manufacturers such as sister-unit approved suppliers, foreign suppliers, stockist, agents, dealers, ancillaries and sub-contractors etc. who may require different treatment. The approach for registration of such suppliers is as follows:

2.0. **Sister Unit Approved Suppliers:**

Approved suppliers of sister units may be exempted from detailed registration procedure and directly included in the list of approved suppliers for the same / similar class of item provided the supplier's past performance at sister unit is satisfactory. Recommendation of MISCC and approval of GM\* shall be required. Supplier Registration Forms shall be got filled up for records

However, in case of different item, review of Technical Competence must be done by MISCC .

3.0 **Collaborator Approved Suppliers**

Approved suppliers of collaborators may be exempted from detailed registration procedure and directly included in the list of approved suppliers. Recommendation of MISCC and approval of GM\* shall be required. Supplier Registration Forms shall be got filled up for records.

4.0 **Sister Units**

Sister units / divisions shall be exempted from detailed registration procedure and directly included in the list of approved suppliers by SDC on the basis of recommendations from MISCC .

5.0 **Registration of suppliers of national / international reputation**

item/ component/material from extremely reputed suppliers due to customer specifications, critical requirement, or similar other considerations. Normally , such suppliers should also follow our supplier registration route. It is, however, experienced that certain suppliers of national/ international reputation, corporate giants or those who enjoy monopoly

Many a times, we may come across a situation where it becomes essential to procure an listic status do not evince interest in filling up our Registration Form and follow our guidelines.

In view of our own organizational interest, the following steps are suggested for registration of such exceptional suppliers:-

5.1 The concerned product MISCC Chairman shall prepare a proposal indicating the description of item, PMD material category and other relevant details, name & complete details of the

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proposed supplier with justification for seeking registration of the supplier under this provision. Such proposals shall **only cover direct materials and not indirect materials.**

5.2 The above proposal shall be got approved from **Head of Engineering** and **Head of Unit** for Registration and inclusion of the supplier in the specified PMD material category.

5.3 Registration of suppliers, as explained above, shall be on exceptional basis.

6.0 **REGISTRATION OF Stockist/ Traders/ Authorised agents/ Indian Sales Office/ Subsidiary of the registered Principal supplier:**

For enlistment under above category, the enlistment criterion shall be the assessment of organizational soundness and the Principal's authorisation letter, evaluation by the Trained and Certified Assessor and recommendation by MISCC & GM\*.

7.0 **REGISTRATION OF FOREIGN SUPPLIERS**

7.1 The assessment of foreign suppliers shall largely depend on the basis of organizational and financial parameters The Supplier Registration Form has been designed accordingly.

7.2 The visit to supplier for assessment shall not be a normal feature of the system. However, visit to foreign supplier for assessment can be undertaken in exceptional cases based on MISCC recommendations, critical nature of item involved or other similar consideration. MISCC shall clearly recorded the reasons for which the visit is considered necessary.

7.3 The Supplier Registration Forms will not carry any marks. However, the forms and the documents submitted by the supplier will be reviewed and assessed by MISCC and Trained & Certified Assessors. Based on the recommendation of MISCC and approval of GM\*, SDC will issue a development (trial) code. The permanent code will be allotted by USRC after reviewing the performance against trial orders.

8.0 **REGISTRATION OF SUB-SUPPLIERS**

8.1 In case of systems/ main packages, the order is placed on main supplier registered with BHEL, for complete system/ main package covering engineering, BOI, site erection and commissioning. The main supplier in turn may place order on sub-supplier for certain components/ sub-systems and BOI etc. The sub-supplier may not be registered with BHEL.

8.2 Depending on customer's requirement or criticality of system/sub-system, it may be necessary to approve the sub-suppliers also. The steps suggested below will be applicable to critical systems and packages only:

1. Identification of critical systems and packages by concerned MISCC.
2. Approval of sub-supplier under a particular system/ package shall be limited to supply of specified inputs only to main supplier.

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3. No registration forms will be filled.
4. Support documents with respect to technical and quality capability / capacity would be taken through the main supplier or from sub-supplier.
5. The documents shall be reviewed and approved by Engineering / Quality .
6. The sub-supplier shall not form part of PMD.

## 9.0 ENLISTMENT MATRIX

The enlistment matrix is given on the next page for easy understanding of procedure of registration for various types of suppliers. The abbreviations used are indicated below :

USRC	-	Unit supplier review committee
MISCC	-	Material Identification & Supplier Control Committee
TCA	-	Trained & Certified Assessor
MI	-	Manufacturer ( Indigenous )
MF	-	Manufacture ( Foreign )
MP	-	Manufacturer (Proprietary)
MC	-	Manufacturer recommended by Collaborator
MY	-	Manufacturing to BHEL specification & Drawings and material by Supplier ( Y category )
MZ	-	Manufacturing to BHEL specification & Drawings and material by BHEL ( Z category )
MPC	-	Manufacturer but proprietary recommended by collaborator.
SU	-	Sister unit.
SUAS	-	Sister Unit Approved Supplier
NA	-	Not Applicable



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**ENLISTMENT MATRIX FOR SUPPLIERS OF VARIOUS TYPES**

<i>Sl no.</i>	<i>Type of Supplier</i>	<i>Nature of Item</i>	<i>Authority for initial recommendation</i>	<i>Assessment Criteria</i>	<i>Authority to decide assessment criteria</i>	<i>Authority for assessment of supplier registration forms</i>	<i>Final recommendation for enlistment</i>	<i>Approving authority for enlistment</i>	<i>Remarks.</i>
1.	MI MP MPC MY MZ	Critical Major Minor	MISCC	Assessment / team visit	MISCC	MISCC & TCA	MISCC & FINANCE	GM* USRC	For development (Trial) code For permanent code
2	MF	Critical Major Minor	MISCC	Supplier Registration Form, Banker's certificate	MISCC	MISCC & TCA	MISCC & FINANCE	GM* USRC	For development (Trial) code For permanent code
3	SU	Critical Major Minor	MISCC	NA	NA	NA	MISCC	SDC	
4	SUAS	Critical Major Minor	MISCC	Same item (Size / application) / same class of material, performance feedback	MISCC	MISCC	MISCC	GM*	In such cases Organisational Soundness & Quality Systems need not be assessed..If necessary, only Technical Competence to be verified / assessed




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**ENLISTMENT MATRIX FOR SUPPLIERS OF VARIOUS TYPES**

Sl.	Type of Supplier	Nature of Item	Authority for initial recommendation	Assessment Criteria	Authority to decide assessment criteria	Authority for assessment of supplier registration forms	Final recommendation for enlistment	Approving authority for enlistment	Remarks.
5.	Reputed suppliers	Critical Major Minor	MISCC Chairman	Justification for seeking registration	MISCC Chairman	MISCC Chairman	Head of Engineering	Head of Unit	a) To cover suppliers of national / international reputation , corporate giants , monopolistic suppliers b) Suppliers who do not fill up Registration Forms c) For direct materials only d) Exceptional cases only
6.	Collaborator approved supplier	Critical Major Minor	MISCC	Collaborator document	MISCC	MISCC	MISCC	GM*	
7.	Stockist / Trader/ Authorised agent/ Indian sales office or subsidiary of foreign supplier	Critical Major Minor	MISCC	Assesment of Organisation Soundness and principal's authorisatio n letter	MISCC	MISCC & TCA	MISCC & Finance	GM* USRC	For development (Trial) code For permanent code
8.	Local supplier	Local purchase	Buying Head	-	-	No enlistment recommended		USRC Chairman	One time code will be allotted
9	Original Equipment Manufacturer	Capital items and its spares	Buying Head	-	-	No formalities required for irregular requirements		USRC Chairman	One time code will be allotted.

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## SUPPLIER PERFORMANCE MONITORING AND RATING SYSTEM

- 1.0. In order to procure materials from reliable suppliers who have demonstrated their capability to supply material of desirable quality and quantity in stipulated delivery schedule and also met emergency requirements, it is essential to rate or classify them on a scientific basis; taking into consideration the attributes of quality, delivery and service.

Supplier Performance Rating system is a system for assessing the performance of a supplier in comparison with other suppliers with a view to drawing up a comparative scale that can be used to arrive at any of the following decisions.

- 1.1 To assess and select a supplier from large group of suppliers on rational basis for specific products of similar nature.
- 1.2 Whether or not to continue to procure the products from the same supplier
- 1.3 Where a supplier has different manufacturing facilities, such as castings and forging, sheet metal works, and machining; to decide on specific areas for which supplier can be deemed to have the necessary level of competence; and.
- 1.4 How to distribute the total requirements of product among various suppliers when the purchase price is comparable.
- 2.0 **Supplier Performance Rating (SPR) :** Supplier performance shall be assessed with respect to the following main factors and calculated for each consignment / purchase order :

<u>Rating</u>		<u>Weightage</u>
Quality	=	60
Delivery	=	30
Service	=	10
Total		100

- 2.1 **Quality Rating (QR) 60% weightage :** Quality rating is based on acceptable quantity of material offered for inspection or delivered by supplier

$$\text{Quality Rating (QR)} = \frac{(Q1 + 0.75 \times Q2 + 0 \times Q3)}{Q} \times 60$$

Where Q	=	Quantity inspected
Q1	=	Quantity accepted
Q2	=	Quantity accepted with concession/ deviation/ rectification
Q3	=	Quantity rejected

**The pre-inspection report (at supplier's works) shall include the quantity accepted after rework in Q2 category.**



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**2.2 Delivery Rating (DR) 30% weightage**

Supplier will be rated on delivery parameters as follows:

- |  |    |
|--|----|
|  | DR |
| (a) - Adherence to P.O. delivery                       | 30 |
| (b) - One mark shall be deducted for each day's delay. |    |

- Note: 1) Delay is calculated on the date of GR / RR basis for indigenous items and date of inspection/ shipment (BL/ AWB etc.) for imported consignments.  
2) In cases, where delay is on account of BHEL in providing raw material / tools / any other input, the delivery shall be extended with amendment to PO.

In case of rectification/ replacement of item, the delivery is to be reckoned from the date of completion of rectification/ replacement and not the original supply date.

**2.3 Service Rating (SR) 10% weightage:-**

Service Rating shall be given on the basis of the following criteria.

- |   |                 |
|---|-----------------|
| Cooperation and readiness to help in emergency, Submission of Support documents such as GA Drawings, TC, GC etc. as Applicable submission of final technical documents, O & M Manuals and as built drawings complete and in time. | } } } } SR<br>5 |
| Promptness in reply / attending quality problems at site/shop   | 5               |

Appropriate computer system should be developed to capture service rating parameters automatically to eliminate human intervention.


The above rating will also be subject to further feedback from Inspection Agency on the following criteria.

- a) Item not offered as per Inspection Requirement.
- b) Non - availability of calibrated instruments at the time of inspection at suppliers' works.
- c) Acceptance after rework.

In above cases, supplier will be allocated negative five marks (-5) for service rating.

**Supplier Performance Rating (SPR) = QR + DR + SR**

2.4 The period for calculation of SPR is previous year plus elapsed period of current year or period for last three executed purchase orders which ever is more.

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### 3.0 FEED BACK FROM SHOP FLOOR

If non-conformance/ defects in components are noted while processing at shop floor the overall performance rating will be multiplied by demerit factor (DF). The demerit factor is determined as detailed below: -

	DF
a) Components used after rectification	0.9
b) Components replaced by supplier	0.8
c) Supplier does not rectify / replace / respond	0.0

### 4.0 FEED BACK FROM INSPECTION AGENCY / SITE

For items/ systems directly going to site, to arrive at the quality rating , the inspection report / remarks of inspection agency are to be taken into consideration to calculate quality rating.

When quality deficiency is noticed in items/ systems at site during installation/ and commissioning or in service (during warranty period) the overall supplier performance rating will be reduced by multiplying by demerit factor (DF). The demerit factor is determined as detailed below:

	DF
a) Items/systems meet all design and guarantee parameters	1
b) Items/ systems satisfy the design / guarantee parameter with minor deviations & functionally acceptable.	0.9
c) Items/ systems are put into service with rework at site	0.8
d) Supplier not meeting contractual requirements like timely erection / warranty obligations/ service after sales etc.	0.7
e) Items/ systems rejected & replaced due to not meeting design / performance requirement.	0.5

### 5.0 Supplier Rating

Based on total score the supplier performance will be rated as below:

<i>Total Score</i>	<i>Rating</i>	<i>Action</i>
98-100	A1	Supplier can be considered as Preferred Supplier for self- certification and long term contract.
90 to less than 98	A	Supplier can be considered for self- certification 100% <b>Quality Rating</b> consistently.  Supplier can be considered for reduced witness points during inspection. Supplier can be considered for long-term contracts



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75 to less  
than 90

B

Supplier to be informed about deficiency for immediate corrective and preventive action.  
Supplier can be considered for long-term contracts.

60 to less  
than 75

C

Supplier to be informed about deficiency for immediate corrective and preventive action .Response to be obtained from supplier .Necessary technical help may be provided to the supplier.

Inspection stages may be reviewed for tightened inspection.

Enquiry to be sent only after approval of GM\*.

Less than 60

D

Supplier to be put under hold and informed.

The format on which feedback will be given to supplier is placed at next page

**6.0 Motivation to A1 and A category rating suppliers:**

In order to sustain/ improve the performance of the suppliers falling in A1 and A category, following steps are suggested:

- a) May be considered for self-certification
- b) May be preferred for long term contracts
- c) In tenders, where quantity is to be splitted amongst suppliers, 10% quantity may be reserved for A1 category supplier in addition to normal distribution of remaining 90% quantity as per normal practice
- d) Appreciation/ commendation in structured get-togethers/ suppliers meet.

**7.0 Feed back to suppliers regarding performance rating:**

The feed back to the supplier is to be given annually as per format placed on next page.



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**SUPPLIER RATING FEEDBACK FORM**

Name of Supplier :                      Supplier Code:              Item / Package :              Matl. Category :

The supplier performance rating (SPR) is evaluated by considering the following weightage; 60% for quality rating (QR), 30% for delivery rating (DR), and 10% for service rating (SR). Based on rating obtained, the following categories are made. A1: 98-100, A : 90 to less than 98 , B : 75 to less than 90 , C : 60 to less than 75 . These ratings are subject to demerit factor as described below.

The performance rating and the category in which the organisation is placed is shown below : -

Demerit Factor :

- 1) Item not offered as per inspection requirement
- 2) Non - availability of calibrated instruments at the time of inspection at supplier's works.
- 3) Acceptance after rework.

In above cases, supplier will be allocated negative five marks (-5) for service rating

Rating Factors	QR (Max 60)	DR (Max. 30)	SR (Max. 10)	VPR = QR +DR+SR	Rating
Points Obtained					

- c) Items / systems to put into service with rework at site 0.6
- d) Supplier not meeting contractual requirements like timely erection / warrantee obligations / service after sale etc. 0.7
- e) Items / systems rejected & replaced due to not meeting Design / Performance requirement. 0.5

When quality deficiency is noticed at shop floor during procuring, the demerit factor is determined as under :-

- a. Components used after rectification 0.9
- b. Components replaced 0.8
- c. If supplier does not rectify / replace / responds 0.0

Note : In case supplier needs any assistance from BHEL for improvement they can contact the MM Department.

Comments :

SUPPLIER RATING

Signed by SDC

Distribution: Supplier, QA / MM / Engineering



<b>Chapter-VII: Suspension Of Business Dealing With Supplier</b>	<b>Document No.</b>	<b>AA:MM:SR:01</b>
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## SUSPENSION OF BUSINESS DEALING WITH SUPPLIER

Suspension of business dealing with supplier is divided in four parts: -

- A) Hold on Supplier**
- B) De-listing of Supplier**
- C) Banning of Supplier**
- D) Black Listing of Supplier**

**A) Hold on Supplier :**

Supplier to be put under hold under following criteria : -

- 1) If a supplier, after evaluation on performance rating, falls under “D” category, then he will be put under “hold’ and no enquiry will be issued to him for the particular category.
- 2) Fails or neglects to respond against three consecutive tenders for a particular material category.
- 3) Fails to execute a contract or fails to execute it satisfactorily.
- 4) If supplier tampers with tendering procedure affecting ordering process.
- 5) Adverse feed back from Unit Finance w.r.t. sundry debts.

On the specific request of GM\*, Chairman USRC shall be approving authority for reinstating supplier.

**B) Delisting of Supplier :**

Supplier to be put under delisting due to following reasons :-

- 1) No longer has the technical staff, equipment or financial resources, identified at the time of enlistment and due to partition/ split etc.
- 2) Persistently violates or circumvents important conditions of the contract.
- 3) Fails to submit statutory documents as and when required.

On the specific request of GM\*, Chairman USRC shall be approving authority for reinstating supplier.


**(C) & (D) Banning / Black Listing :**

Supplier to be put under Banning / black listing under following criteria : -

- 1) If the supplier is declared bankrupt, insolvent, wound up or dissolved.
- 2) If the supplier violates or circumvents the provisions of labour laws/ regulations/ rules and other statutory requirements.
- 3) If supplier or his partners/representatives are found indulging in malpractice/fraud.

The procedure for Banning/Black-listing and the terminology referred will be governed by the Guidelines issued by Corporate Vigilance Cell from time to time.

This information shall be sent to units/ divisions/ regions /corporate MM heads.

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## TRANSPARENCY

1. It is to be ensured that while sending the formats to supplier for enlistment purpose, the criteria for supplier enlistment is also conveyed to him, so that he is fully aware about our process of supplier registration.
2. It is also to be ensured that the criteria for supplier registration, supplier rating, delisting procedure with relevant formats may be kept in BHEL's web-site so that any interested party can download the same and approach BHEL with full knowledge of our system.
3. It is also to be ensured that the feed back of enlistment, performance rating and reasons for de-listing may be conveyed to the supplier.
4. The list of approved suppliers material category wise and their detailed assessment report will be available online for exchange of information among all BHEL Units with a suitable safeguards against reaching such information to our competitors as well as against reaching this information to suppliers for ethical reasons.

----- O -----


	<b>Chapter-IX: Other Recommendations</b>	<b>Document No.</b>	<b>AA:MM:SR:01</b>
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## OTHER RECOMMENDATIONS

1. The system shall be audited every year for compliance by UNIT MM and reviewed once in two years by Corporate Quality for effectiveness.
2. Task Force recommends that the data on supplier evaluation, assessment, enlistment, performance rating and delisting should be available on-line on unit intranet, with access permission on the basis of need to know.
3. MISCC shall decide regarding optimum number of vendors to be registered in different material categories, it is recommended that optimum number of suppliers is five and can vary between three to ten depending upon material category and other requirements of the unit.

### **Role of Corporate MM**

4. Corporate MM shall centrally maintain supplier data of the entire units / product material directory.
5. Corporate MM shall create data base of major suppliers of competitors/other reputed industries through market intelligence for competitive and quality purchases.
6. Corporate MM shall share with unit MM/Engineering about developments in markets like fluctuations in prices of major raw material, changes in Exim policy, licensing criteria and any major event taking place in allied industries such as transport and packing and evolve suitable strategy of procurement for immediate future.
7. Corporate MM shall issue this procedure as a control document as per the distribution list. Changes in the document will be done as per proposal for change received in the format given in Annexure-IV.

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## TRAINING FOR SUPPLIER ASSESSMENT

As supplier assessment is to be carried out objectively on supplier's Organisational Soundness , Quality System and Technical Competence by awarding numerical rating on each criteria , Trained & Certified Assessors (TCA) are needed. CQA had earlier arranged training programmes, in association with BVQI , for Trained & Certified assessors . TCAs are now available in all units for assessment of Supplier Registration Forms and other assessment activities.

In case of further necessity , Units / Divisions / Corporate Quality may conduct a 3 day certification training programmes , in association with BVQI , for additional TCAs. The programme will address the three basic enlistment criteria i.e. Organisational Soundness, Quality System and Technical Competence. The faculty (both internal and external) would deal with subjects like different types of organisations and their statutory requirements, assessment of financial health of an organisation, BHEL purchase policy, Quality systems and process capability of the suppliers. Syndicate discussions may be held with live case studies. At the end, tests will be conducted and those who clear the examination will be awarded certificates for Trained & Certified Assessors.

The team which would visit the supplier's works for verification and assessment would consist of minimum one Trained and Certified Assessor and it is mandatory for them to verify the documentary evidence for financial capability , equipment / machinery owned by the supplier and requisite trained manpower etc.



**Chapter-XI : Re-Assessment  
Of Existing Suppliers**

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**RE-ASSESSMENT OF EXISTING SUPPLIERS**

- 11.0 BHEL is dealing with large number of suppliers including sub-contractors, ancillaries and local suppliers. Many of the them may not have been registered as per the new system and available data / information might have undergone changes.

The overall issue of re-assessment of existing suppliers can be divided in two parts :-

- 1) Product identification
- 2) Supplier identification and criterion for re assessment

**11.1 PRODUCT IDENTIFICATION**

The total products can be broadly classified in two categories - **DIRECT MATERIALS** and **INDIRECT MATERIALS**. Product Material Directories have been created for direct materials in all the units, where as PMDs for indirect materials are proposed to be created by November 2005 by all units. **The re-assessment of suppliers shall be limited to those for direct materials only.**

**11.2 SUPPLIER IDENTIFICATION**


All suppliers of PMDs need not be re-assessed in view of large number of suppliers. The following criteria for selection of suppliers is suggested :-

- a) Supplier Registration Forms shall be sent to all Indian and foreign suppliers covered in PMDs for obtaining and updating latest information .
- **Foreign Suppliers:** Based on information submitted by Foreign Suppliers, available data shall be updated. In case manufacture of any product has been stopped, SDC shall update the registration profile and PMD. SDC shall inform the concerned MISCCs. No further assessment of foreign suppliers is required.
- **Indian Suppliers:** Based on information submitted by Indian Suppliers, available data shall be updated. In case manufacture of any product has been stopped, SDC shall update the registration profile and PMD. SDC shall inform the concerned MISCCs.

Re-assessment of Indian Suppliers to be done as given below.

**b) Re-assessment of Indian suppliers ( including sub-contractors / ancillaries ) :**

- 1) If the supplier has its rating as "A 1" , "A" or "B" , no re-assessment is proposed.
- 2) Supplier having rating as "C" or below will need to be re-assessed, if advised by MISCC.

	<b>Chapter-XI : Re-Assessment Of Existing Suppliers</b>	<b>Document No.</b>	<b>AA:MM:SR:01</b>
		<b>Revision No.</b>	<b>00</b>
		<b>Page No.</b>	<b>30 of 30</b>

- 3) SDC will arrange re-assessment of the suppliers informed by MISCC.
- 4) Since Supplier Registration Form may be too elaborate for sub-contractors and all the information called for in the Registration Form may not be relevant, Units may devise their own format for filling by Sub-Contractors / ancillaries.
- 5) While devising the forms, Units may ensure that following aspects are necessarily covered:
  - a. Organizational Information
  - b. Financial information
  - c. Manufacturing & Handling facilities
  - d. Inspection & Testing facilities
  - e. Manpower details including qualification/experience/skills
  - f. Details of accreditation received
  - g. Quality systems in force
  - h. List of customers
  - i. Safety practices
  - j. Meeting capabilities required for products/jobs for which registration is sought



FORMAT NO.									Annexure - page 2 of 4	
BHEL		<b>DEPT: MATERIALS MANAGEMENT</b>					REF. NO:	Spreadsheet 1.2		
UNIT NAME		<b>PRODUCT MATERIAL DIRECTORY</b>					SHEET OF			
							DATE OF ORIGINAL ISSUE :			
							REV.	DATE:		
<b>DIRECTORY OF SUPPLIER :</b>		<b>BUYING GROUP NO.:</b>			<b>PRODUCT / INDENTING DEPTT:</b>					
SL. NO.	TYPE OF PURCHASE	ITEM DESCRIPTION COMPONENT/ASSEMBLY/MATERIAL	MATERIAL CATG. NO.	CORP./UNIT PURCHASE SPEC.	PRODUCT CONTROL CHECKS					
1	X ⊕	90 / 10 - CU-NI TUBES	121600	AA 12130	1, 2, 3, 4 1, 2, 3, 4 1, 2, 3, 4					
2	X ⊕	CONDENSATE EXTRACTION PUMP	720060	PPET-98-019 & 020 PPMT-96-46	1, 2, 3, 4 1, 2, 3, 4					
3	X ⊕	TUBE PLATE FORGINGS (ALLOY STEEL)	193200	SA182 F5	1, 2, 3, 4 1, 2, 3, 4 1, 2, 3, 4 1, 2, 3, 4 1, 2, 3, 4					
4	Y ⊕	TRANSFORMER TANK	4600	IS 2362	1, 2, 3, 4					
5	Z ⊕	FABRICATION OF HP HEATER SHEET	4588	AA 15158	1, 2, 3, 4, 6					





**GUIDELINES TO INDIAN SUPPLIERS FOR FILLING-UP  
SUPPLIER REGISTRATION FORM**

1. Registration Form may be obtained from Supplier Development Cell of respective BHEL Unit or downloaded from BHEL website [www.bhel.com](http://www.bhel.com).
2. Any clarification with respect to procedure for registration may be obtained from the Supplier Development Cell of respective BHEL unit.
3. The Supplier Registration Form has four parts:

Part A	Organisational Information	Form no. VOR AA01
Part B	Quality System	Form no. VQS AA01
Part C	Technical Competence	Form no. VTC AA01
Part D	Score Sheet	Form no. VSS AA01

The set of formats to be filled by different category of suppliers is as follows:

S.No	Supplier Category	Formats
1.	Indian Suppliers ( manufacturers )	- Organisational Information - Quality System - Technical Competence - Score sheet
2.	Agents / stockists / distributors / dealers	- Organisational Information - Score sheet

4. All sheets of above forms are to be filled up and signed by the authorised signatory.
5. Please attach separate sheet if the space provided is insufficient.
6. For any other information also, separate sheet may be attached.
7. Any information / clarification required by BHEL during evaluation must be given expeditiously.
8. Please ensure that all required enclosures are attached with the filled up Supplier Registration Form and list of enclosures is given as required.
9. The scoring of marks by Suppliers for self- assessment must be done as required against each information in all the above parts. Incomplete forms and forms without self assessment are likely to be rejected. If any question is not applicable or relevant to your organisation , please mention accordingly. Questions left unanswered will get zero marks..
10. Scoring for questions on Quality System (Part B) is to done on 0-3 scale as follows:
 

0	For non-compliance
1	System exists in rudimentary stage
2	System exists with minimal discrepancies
3	System is in mature stage (i.e. meets all requirements)

The question with asterisk (\*) mark is mandatory where supplier must achieve a minimum score of 2 marks.

11 Part-B of the form on Quality System need not be filled by ISO 9000-2000 accredited suppliers. Instead, the Table of Contents of Quality Manual may be submitted with the Registration Form.

12 Scoring for question on Technical competence is to be done on 0-3 scale as follows:

- 0 No capability
- 1 Requires continuous technical support of BHEL during execution of job.
- 2 Occasional technical support from BHEL
- 3 Can handle job without any technical support from BHEL.

The question with asterisk (\*) mark is mandatory where supplier must achieve a minimum score of 2 marks.

13 Assessment Criteria shall be as follows:

Organisational Soundness : OS 1 : 85 % and more  
OS 2 : 70 % to less than 85 %  
OS 3 : Less than 70 %

Quality System : Q 1 - Overall system rating above 90 % , rated 2 or better on all mandatory requirements and a rating of 70 % or better in each section

Q 2 - Overall system rating 80 to 90 % , rated 2 or better in all mandatory requirements and a rating of 60 % or better in each section

Q 3 - Overall system rating above 70 % and less than 80 % , rated 2 or better on all mandatory requirements and a rating of 55 % or better in each section

Technical Competence : TC 1 - Above 90 % and rated 2 or better in all mandatory reqts.

TC 2 - 80 to less than 90 % and rated 2 or better in all mandatory requirements

TC 3 - Above 70 % and less than 80 % and rated 2 or better in all mandatory requirements

15 Please fill up the check- list given on next page and send along with the Supplier Registration Forms to BHEL.

## CHECK-LIST FOR INDIAN SUPPLIERS REGISTRATION FORM

S.No.	Check-Point	Yes/No
1.	Information against all points under “Organizational Information “ (Part-A) has been given.	
2.	All enclosures and supporting documents have been enclosed.	
3.	Summary list of enclosures has been furnished as per S.N. 9.9 of Organisational Information form.	
4.	Are you an ISO 9001 -2000 accredited supplier ?	
5.	If yes, have you enclosed "Table of Contents” of your Quality Manual and copy of ISO 9001 -2000 accreditation certificate ?	
6.	If no , have you filled up Quality System formats given in Part B ?	
7.	Technical requirements, specifications, drawings ,standards have been obtained from BHEL before filling up Technical Competence, Part C	
8.	All the pages of the form & enclosures have been signed by Authorised Signatory.	
9.	Scoring has been done in Part A, B and C .	
10.	Total scoring has been done in score sheet Part D.	

Date :

Signature & seal

(Authorised Signatory)

**Note : This check list is to be attached with the filled up Supplier Registration Form.**

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

**PART- A**

**FORM NO. VORAA01 ( INDIAN SUPPLIER )**

**Page 1 of 17**

ALL COLUMNS SHOULD BE PROPERLY FILLED IN THE SPACE PROVIDED FOR . WHEREVER IT IS NOT APPLICABLE , PLEASE WRITE "NOT APPLICABLE". INCOMPLETE OR INCORRECT FORMS MAY NOT BE CONSIDERED. PLEASE ATTACH SEPARATE SHEET, IF SPACE AVAILABLE IS INADEQUATE .

**SUPPLIERS HAVE TO ALLOT MARKS IN THE RELEVANT COLUMNS .**

**ORGANISATIONAL INFORMATION**

**NAME OF THE APPLICANT SUPPLIER SEEKING REGISTRATION :-**

**D&B D-U-N-S Number :**  
**( Dun & Bradstreet nine digit identification number, not mandatory )**

**1.0 PRODUCTS / SYSTEMS / SERVICES FOR WHICH  
REGISTRATION IS APPLIED FOR :**

1.0 PRODUCTS / SYSTEMS / SERVICES FOR WHICH REGISTRATION IS APPLIED FOR :				Marks	Marks by Supplier	Marks by BHEL
SL. NO.	DESCRIPTION	SIZE & RANGE	MFG. STD/ IS / DIN /BS ETC.			
				1		
TOTAL MARKS				1		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR



**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VORAA01 ( INDIAN SUPPLIER )

Page 3 of 17

**ORGANISATIONAL INFORMATION**

3.0 <b><u>OWNERSHIP INFORMATION</u></b> :	Marks	Marks by Supplier	Marks by BHEL
<p align="center">DOCUMENTS TO BE FURNISHED</p> <p>3.1 GOVT. OF INDIA UNDERTAKING: OR STATE GOVT. UNDERTAKING : OR LIMITED COMPANY, : MEMORANDUM AND ARTICLES OF ASSOCIATION OR PRIVATE COMPANY : MEMORANDUM AND ARTICLES OF ASSOCIATION OR CO-OPERATIVE SOCIETY, : SOCIETY RULES AND BYE LAWS OR PARTNERSHIP FIRM, : PARTNERSHIP DEED OR PROPRIETORSHIP, : PROFESSION TAX REGN. AND MUNICIPAL REGN.  ANY OTHER (SPECIFY) :</p>	1		
<p>3.2 NATURE OF BUSINESS : ( MANUFACTURING UNIT/AGENTS/ DISTRIBUTORS/STOCKISTS)</p>	1		
<p>3.3 YEAR OF ESTABLISHMENT :</p>	1		
TOTAL MARKS	3		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VOR AA01 ( INDIAN SUPPLIER )

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<b>ORGANISATIONAL INFORMATION FOR THE PREVIOUS FOUR YEARS</b>						Marks by Supplier	Marks by BHEL
4.0	<b>FINANCIAL INFORMATION</b>	Year 1	Year 2	Year 3	Year 4	\$ ( See below )	\$ ( See below )
		(Years in ascending order, Money value in Rs. Lakhs )					
4.1	NET WORTH (Share Capital +Reserves)						
	Growth over previous year (%)	-----					
4.2	LONG TERM DEBT / LOAN						
4.3	DEBT EQUITY RATIO						
	<u>Long term Debt</u> (4.2) <u>Net worth</u> (4.1)						
4.4	INVESTMENT IN: Land & Building						
	Plant & Machinery						
	Other Fixed Assets						
4.5	NET CURRENT ASSETS						
	1 a) Cash on hand						
	b) Account receivable						
	c) Inventories						
	<b>Total</b>						
	CURRENT LIABILITY						
	2 a) Sundry creditors						
	b) Interest accrued but not due						
	c) Credit balance in sundry debtors						
	d) Other liabilities						
<b>Total</b>							
3 CURRENT RATIO							
<u>Current assets</u> {4.5 (1)}							
<u>Current liability</u> {4.5 (2)}							
4.6	SALES						
	Growth over previous year (%)	-----					
4.7	PROFIT BEFORE TAX						
	Growth over previous year (%)	-----					
4.8	PROFIT AFTER TAX						
	Growth over previous year (%)	-----					
4.9	Whether the supplier has been referred to BIFR / NCLT . ( If YES , <b>enclose details</b> )				YES / NO		
4.10	Whether the supplier is a potential sick company.( If YES , <b>enclose details</b> )				YES / NO		
<b>Copies of annual accounts (Balance Sheet) for the last four years along with audit report are to be submitted. The above details shall be highlighted in the Balance Sheet.</b>					Total marks ( out of 10 )		
SUPPLIER'S AUTHORISED SIGNATORY						BHEL CERTIFIED ASSESSOR	

**₹ : ONE MARK EACH TO BE GIVEN FOR COMPLETE REPLY AGAINST SL. Nos. 4.1 to 4.10 (Total 10 marks )**

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

**FORM NO. VORAA01 ( INDIAN SUPPLIER )**

**Page 5 of 17**

**ORGANISATIONAL INFORMATION**

<b>5.0 REGISTRATION PARTICULARS :</b>	Marks	Marks by Supplier	Marks by BHEL
5.1 INCOME TAX PERMANENT ACCOUNT NO. : ( ENCLOSE COPY OF CERTIFICATE )	1		
5.2 CENTRAL SALES TAX REGISTRATION NUMBER : ( ENCLOSE COPY OF CERTIFICATE )	1		
5.3 STATE SALES TAX REGISTRATION NUMBER : ( ENCLOSE COPY OF CERTIFICATE )	1		
5.4 EXCISE DUTY REGISTRATION NUMBER : ( ENCLOSE COPY OF CERTIFICATE )	1		
5.5 SERVICE TAX REGISTRATION NUMBER ( ENCLOSE COPY OF CERTIFICATE )	1		
5.6 EXCISE CONTROL CODE NUMBER: ( ENCLOSE COPY OF CERTIFICATE )	1		
5.7 NATIONAL SMALL SCALE INDUSTRIES REGISTRATION NO. : ( VALIDITY UPTO ..... ) ( ENCLOSE COPY OF CERTIFICATE )	1		
5.8 SMALL SCALE INDUSTRIES REGISTRATION NO. : ( VALIDITY UPTO ..... ) ( ENCLOSE COPY OF CERTIFICATE )	1		
5.9 ANCILLARY STATUS RECOGNISED BY .....	1		
<b>TOTAL MARKS</b>	<b>9</b>		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR





**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VORAA01 ( INDIAN SUPPLIER )

Page 8 of 17

**ORGANISATION INFORMATION**

8.0 LIST OF MEASURING FACILITIES, TESTING – EQUIPMENT AND INSPECTION FACILITIES :						Marks	Marks by Supplier	Marks by BHEL
SL. NO .	DISCRIPTION OF EQUIPMENT	SIZE, RANGE, CAPACITY & ACCURACY	MODE AND MAKE	LAST DATE OF CALIBRATION	QUAN- TITY			
	In-house facilities -----					1		
	Out-sourced facilities , if any -----							
TOTAL MARKS						1		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VORAA01 ( INDIAN SUPPLIER )

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**ORGANISATION INFORMATION**

<b>9.0 OTHER PARTICULARS :</b>		Marks by Supplier	Marks by BHEL
<p>9.1 IF THE COMPANY IS ALREADY IN BUSINESS WITH ANY OF BHEL UNITS, GIVE :</p> <p>9.1.1 BHEL UNIT'S NAME :</p> <p>9.1.2 SUPPLIER REGN. CODE NO. :</p> <p>9.1.3 ITEMS FOR WHICH REGISTERED &amp; THEIR SPECIFICATION ( ENCLOSE PROOF OF SUCCESSFUL EXECUTION OF AT LEAST 3 PURCHASE ORDERS ) :</p>	1		
<p>9.2 IS THE COMPANY APPROVED BY ASME / NTPC / NPC / EIL / DGS&amp;D / RAILWAYS / IBR / LLOYDS ETC ? : YES / NO (ENCLOSE DOCUMENTARY EVIDENCE)</p>	1		
<p>9.3 IS THE COMPANY ISO 9001-2000 APPROVED? : YES / NO (ENCLOSE CERTIFICATE) :</p>	1		
<p>9.4 IS THE COMPANY AN ISO 14000 APPROVED? : YES / NO (ENCLOSE CERTIFICATE) :</p>	1		
<p>9.5 IS THE COMPANY OHSAS - 18000 APPROVED?: YES / NO (ENCLOSE CERTIFICATE) ?</p>	1		
<p>9.6 TECHNICAL COLLABORATOR : (FOREIGN OR INDIGENOUS) (ENCLOSE DOCUMENTARY EVIDENCE)</p>	1		
<p>9.7 NAME &amp; ADDRESS OF CONCERN(S) HAVING SUBSTANTIAL INTEREST IN : (NAME OF THE OTHER COMPANY, COMMON DIRECTOR, PARTNER, OWNER ETC.)</p>	1		
<b>TOTAL MARKS</b>	7		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VORAA01 ( INDIAN SUPPLIER )

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<b>ORGANISATION INFORMATION</b>			
	Marks	Marks by Supplier	Marks by BHEL
<p>9.8 DIRECTORS / PARTNERS, IF RELATED TO ANY BHEL EMPLOYEE.</p> <p>NAME :  STAFE NO. :  DESIGNATION :  DEPARTMENT :  RELATIONSHIP :</p>	1		
<p>9.9 IF ANY EX-BHEL PERSONNEL IS EMPLOYED BY THE COMPANY, MENTION HIS / HER DETAILS OF LAST POSTING.</p> <p>NAME :  STAFF NO. :  DESIGNATION :  DEPARTMENT :  DATE OF LEAVING SERVICE :</p>	1		
<p>9.10 COMPANY'S WEEKLY HOLIDAYS :</p> <p align="center">WORKS                  OFFICE</p>	1		
<p>9.11 EXPERIENCE LIST :</p> <p>(ATTACH LIST OF PRESENT CUSTOMERS WITH NAME &amp; ADDRESS FOR OFFERED / SIMILAR TYPE &amp; SIZE OF ITEM / EQUIPMENT FOR WHICH REGISTRATION HAS BEEN SOUGHT AND WITH WHOM YOU HAVE CONTINUOUS BUSINESS SINCE LAST THREE YEARS )</p>	1		
<p>9.12 LIST OF ENCLOSURES :</p> <p>ATTACH LIST OF ENCLISURES</p>	1		
<p>10 I/ WE GIVE THE UNDERTAKING THAT BHEL DRAWINGS &amp; SPECIFICATIONs SHALL NOT BE USED IN ANY WAY DETRIMENTAL TO THE INTEREST OF BHEL AND / OR FOR SUPPLY OF ANY MATERIAL, PRODUCT OR SERVICES DIRECTLY OR INDIRECTLY TO ANY OTHER CUSTOMER.</p>	--	--	--
<b>TOTAL MARKS</b>	<b>5</b>		
<p>SUPPLIER'S AUTHORISED SIGNATORY <span style="float: right;">BHEL CERTIFIED ASSESSOR</span></p>			

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

**Part B ( QUALITY SYSTEM ) : Pages 11 to 13 of 17 need not be filled by ISO 9001-2000  
accredited suppliers**

**FORM NO. VQSAA01**

**Page 11 of 17**

<b>I. INCOMING MATERIAL CONTROL</b>	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL
1. A formalized supplier rating, evaluation, certification programme has been established wherein quality performance is one of the criteria.						
* 2. Incoming shipment is verified prior to storage or use.						
<b>TOTAL MARKS</b>						

<b>II. PROCESS CONTROL</b>	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL
* 1. Work instructions are documented, updated & followed by workers.						
* 2. Required tools, jigs, fixtures are identified and used.						
3. Procedure for qualification , if applicable , and revalidation of qualification of workers exist such as : ❖ Welders ❖ NDT Personnel						
4. Preventive maintenance activities are performed on critical machines & records kept.						
5. Material identification and acceptance status is maintained throughout the manufacturing process & during storage.						
* 6. Availability of updated drawing/specification at workplace						
7. Preservation, painting & packing procedure exists						
<b>TOTAL MARKS</b>						

Scoring for questions on Quality System (Part B) is to done on 0-3 scale as follows:-

0 ( For non-compliance ) , 1 ( System exists in rudimentary stage ) , 2 ( System exists with minimal discrepancies ) , 3 ( System is in mature stage i.e meets all requirements )

The question with asterisk (\*) mark is mandatory where supplier must achieve a minimum score of 2 marks.

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

## BHARAT HEAVY ELECTRICALS LIMITED SUPPLIER REGISTRATION FORM

FORM NO. VQSA01

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<b>III. CONTROL OF NON- CONFORMANCE</b>	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL
* 1. Record of Rework / Rectification is kept.						
2. System of review and analysis of repeated failures and their prevention in future.						
<b>TOTAL MARKS</b>						

<b>IV. CONTROL OF MEASURING AND MONITORING DEVICES</b>	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL	Marks by Supplier	Marks by BHEL
1. System of calibration of gauges, fixtures & instruments exists						
* 2. Master Gauges / Standards are traceable to recognized national standards.						
<b>TOTAL MARKS</b>						

<b>V. CONFORMANCE TO SAFETY REQUIREMENTS :</b>	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL
* 1. Adequate safety precautions are being taken in plant for all personnel						
<b>TOTAL MARKS</b>						

SUPPLIER'S AUTHORISED SIGNATORY	BHEL CERTIFIED ASSESSOR
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**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

FORM NO. VQSAA01

Page 13 of 17

VI. CUSTOMER - SUPPLIER COMMUNICATION	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL
*1. Tender documents are reviewed with reference to customer requirement both technically & from delivery point of view. In case of deviation, in technical specifications and delivery conditions, the deviations are identified and clearly spelt out in offer.						
2. System of submission of documents like: (A) Invoice. (B) Packing list. (C) Test Certificate. (D) Inspection Data.						
3. Organisation of after sales service and response time for attending complaints.						
<b>TOTAL MARKS</b>						

SUPPLIER'S AUTHORISED SIGNATORY	BHEL CERTIFIED ASSESSOR
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**NOTE :**

**ISO 9001:2000 CERTIFIED SUPPLIERS SHALL GET Q1 QUALITY RATING  
SUBJECT TO VERIFICATION DURING VISIT TO THEIR WORKS, IF  
REQUIRED.**

## BHARAT HEAVY ELECTRICALS LIMITED SUPPLIER REGISTRATION FORM

**Part C :**

**FORM NO. VTCAA01**

**Page 14 of 17**

**TECHNICAL COMPETENCE**

<b>TECHNICAL COMPETENCE</b> ( where <b>design specification</b> is given by BHEL )	<b>MARKS</b> <b>0-3</b>	
	MARKS BY SUPPLIER	MARKS BY BHEL
*1. Supplier understands the product specification.		
2. Supplier understands the inspection requirements.		
*3. Supplier has process capability to achieve the product specification/dimensional requirement.		
4. Supplier has experienced manpower to carry out the job.		
<b>TOTAL MARKS OUT OF POSSIBLE ( 12 ) = ----- %</b>		

**OR**

<b>TECHNICAL COMPETENCE</b> ( where <b>performance specification</b> is given by BHEL )	PROCEDURE 0-3		SYSTEM IN EFFECT 0-3		RECORDS 0-3	
	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL	MARKS BY SUPPLIER	MARKS BY BHEL
1. Design capability						
2. Adequacy of quality assurance plan						
*3. Process capability for components						
*4. Adequate of testing						
<b>TOTAL MARKS OUT OF POSSIBLE ( 36 ) = ----- %</b>						

Here :

Score of 0 indicates “ No capability”

Score of 1 indicates “Requires continuous technical support of BHEL during Execution of job”

Score of 2 indicates “Occasional technical support from BHEL”

Score of 3 indicates “ Can handle BHEL’s job without any technical Assistance.”

The question with asterisk (\*) mark is mandatory where supplier must achieve a minimum score of 2 marks.

<b>SUPPLIER'S AUTHORISED SIGNATORY</b>	<b>BHEL CERTIFIED ASSESSOR</b>
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## BHARAT HEAVY ELECTRICALS LIMITED SUPPLIER REGISTRATION FORM

**Part D :**  
**FORM NO. VSS AA01**

**SCORE SHEET**

**Page 15 of 17**

**1. ORGANISATIONAL SOUNDNESS :**

Each question should be answered. No question is to be left unanswered. If any of the questions is not relevant to your organization, please mention so against that question (but do not leave the question unanswered). Each question answered carries (1) mark. Questions left unanswered will get (0) score.

S L N O	PARAMETER	CRITERIA	Range	M A R K S	Marks by Supplier	Marks by BHEL
1.	Net Worth Refer Sl. No. 4.1 of Supplier Registration Form Page 4/17 , Part A . Average of three years to be worked out	Growth over the previous year	More than 10 %	4		
			5 – 10 %	3		
			Less than 5 %	1		
2.	Sales for current year. Sl. No. 4.6 of Page 4/17, Part A	Growth over the previous year	More than 10 %	4		
			5- 10 %	3		
			> 0 < 5 %	1		
			0% & Below	0		
3.	Debt Equity Ratio i.e. Long Term Debt / Share Capital ( Sl. No. 4.3 of Page 4/17, Part A )	1 : 1		4		
		1.1 up to 1.5 : 1		3		
		1.6 & above : 1		1		
4.	Current Ratio i.e. Current Assets / Current Liability ( Sl. No. 4.5 of Page 4/17, Part A )	2 : 1		4		
		Less than 2 upto 1.1 : 1		3		
		1 : 1		1		
5.	Profit Before Tax Sl. No. 4.7 of Page 4/17 , Part A	Growth over the previous year	More than 10 %	4		
			5 – 10 %	3		
			Less than 5 %	1		
6.	Profit After Tax Sl. No. 4.8 of Page 4/17 , Part A	Growth over the previous year	More than 10 %	4		
			5 to 10 %	3		
			Less then 5%	1		

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

## BHARAT HEAVY ELECTRICALS LIMITED SUPPLIER REGISTRATION FORM

**Part D :**  
**FORM NO. VSS AA01**

**SCORE SHEET**

**Page 16 of 17**

SL. NO.	PARAMETER	Marks	Marks by Supplier	Marks by BHEL
7.	Sl. No. 4.9 of Page 4/17 , Part A – if referred to BIFR / NCLT	(-) 24		
8.	Sl. No. 4.10 of Page 4/17 , Part A – if potentially SICK	(-) 12		
9.	For supplier having standby arrangement of power. (Sl. No. 6.2 of Page 6/17 , Part A)	3		
10.	Supplier having continuous business for more than 3 years. (Sl. No. 9.8 of Page 10 /17 , Part A)			
	Beyond 3 customers	4		
	Upto 3 customers	3		
	No customer	0		
11.	Manufacturing facilities : (Sl. No. 7.0 of Page 7/17 , Part A)			
	Supplier having adequate facilities	3		
	Supplier having substantial facility	2		
	Supplier having inadequate facilities	0		
12.	Measuring and Testing Facilities : (Sl. No. 8.0 , Page 8/17 , Part A)			
	Adequate measurement facilities	3		
	Substantial measuring facilities	2		
	Inadequate facilities	0		
13	. If answer to Question No. 9.3 of Page 9/17, Part A is Yes i.e. ISO 9001 company	3		
	If answer to Question No. 9.4 of Page 9/17, Part A is Yes i.e. ISO 14000 company	1		
	If answer to Question No. 9.5 of Page 9/17, Part A is Yes i.e. ISO 18000 company	1		
	Total Marks scored ( Sl. 01 to 13 above )	42		
	Total Marks scored ( Page 01 to 10 )	46		
	Total Marks ( Organisational Soundness )	88		
	Total Marks ( Organisational Soundness ) : PERCENTAGE ( % )			
	<b>Category of Supplier : OS 1 ( 85 % &amp; more )</b>		Mention	
	<b>OS 2 ( 70 % to less than 85 % )</b>		category	
	<b>OS 3 ( less than 70 % )</b>			

SUPPLIER'S AUTHORISED SIGNATORY

BHEL CERTIFIED ASSESSOR

# BHARAT HEAVY ELECTRICALS LIMITED SUPPLIER REGISTRATION FORM

**Part D :**  
**FORM NO. VSS AA01**

**SCORE SHEET**

**Page 17 of 17**

**2. QUALITY SYSTEM (SCORING CRITERIA) :**

SUMMARY :	MARKS SCORED / OUT OF POSSIBLE ( BY SUPPLIER )		MARKS ASSESSED / OUT OF POSSIBLE ( BY BHEL )	
I. Incoming Material Control	----- / 18	-----%	----- / 18	-----%
II. Process Control	----- / 63	-----%	----- / 63	-----%
III. Control of Non-Conformance	----- / 18	-----%	----- / 18	-----%
IV. Control of measuring & monitoring device	----- / 18	-----%	----- / 18	-----%
V. Conformance to Safety Requirements	----- / 09	-----%	----- / 09	-----%
VI. Customer-Supplier Communication	----- / 27	-----%	----- / 27	-----%
TOTAL =	----- / 153	-----%	----- / 153	-----%

**Category of Supplier** : Q 1 - Overall system rating above 90 % , rated 2 or better on all mandatory requirement and a rating of 70 % or better in each section or **supplier is ISO 9001:2000 certified ( subject to verification )**

Q 2 - Overall system rating 80 to 90 % , rated 2 or better in all mandatory requirement and a rating of 60 % or better in each section.

Q 3 - Overall system rating above 70 % and less than 80 % , rated 2 or better on all mandatory requirements and a rating of 55 % or better in each section

**2. TECHNICAL COMPETENCE : Tick category as per score on page 14 .**

SUMMARY :	MARKS SCORED / OUT OF POSSIBLE 12 or 36 MARKS ( BY SUPPLIER )		MARKS ASSESSED / OUT OF POSSIBLE 12 or 36 MARKS ( BY BHEL )	
Technical Competence OR Technical Competence	----- / 12	-----%	----- / 12	-----%
	----- / 36	-----%	----- / 36	-----%

**Category of supplier** : TC 1 - Above 90 % and rated 2 or better in all mandatory reqts.

TC 2 - 80 to less than 90 % and rated 2 or better in all mandatory requirements

TC 3 - Above 70 % and less than 80 % and rated 2 or better in all mandatory requirements

SUPPLIER'S AUTHORISED SIGNATORY

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**NOT TO BE SENT TO SUPPLIER**

**BHARAT HEAVY ELECTRICALS LIMITED  
SUPPLIER REGISTRATION FORM**

**Enlistment Criteria ( FOR BHEL DECISION ONLY )**

**Page 01 of 01**

<b>Organisational Soundness</b>	<b>Quality System</b>	<b>Technical Competence</b>	<b>Category of Vender</b>	<b>Remark</b>
OS1	Q1	TC1	Excellent	Recommended for enlistment. Supplier can be identified for long term relationship status, self certification status to be considered. Supplier control checks be defined in PMD. Periodic audit to be conducted.
OS1 OS2	Q1 Q2	TC1	Very Good	Recommended for enlistment, supplier can be considered for rate contract & be given system support to become Q1 in a time bound schedule. Supplier control checks be defined in PMD. Supplier be advised to become excellent..
OS1 OS2	Q1 Q2	TC2	Good	Recommended for trial orders only. Supplier be advised to become 'Very Good' in a time bound schedule. Supplier checks be defined in PMD. Technological support be provided.
OS1 OS2	Q3	TC1	Fair	Recommended for trial order in exceptional cases with reasons; such as import substitution, for development of alternate source against proprietary or single source. Supplier control checks be defined in PMD. System support be provided to to become Q1 in a time bound schedule.
OS3	Q1	TC1	Poor	Supplier not recommended for enlistment.
OS1	Q1 Q2	TC3	Poor	Supplier not recommended for enlistment.
OS1	Q3	TC2	Poor	Supplier not recommended for enlistment.
OS1	Q3	TC3	Poor	Supplier not recommended for enlistment.

	<b><u>Supplier Category</u></b>	<b><u>Marks Obtained</u></b>
<b>Organizational Soundness</b>	OS1	85 % and more
	OS2	70% to less than 85%
	OS3	Less than 70%
<b>Quality System Adequacy &amp; Technical Competence Survey</b>	Q1 & TC1	above 90%
	Q2 & TC2	80% to less than 90%
	Q3 & TC3	70% to less than 80%

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**GUIDELINES TO FOREIGN SUPPLIERS FOR FILLING UP  
SUPPLIER REGISTRATION FORM**

01. Registration Form no. VRG AA01 may be obtained from Source Development Cell of the respective BHEL Unit or downloaded from BHEL website [www.bhel.com](http://www.bhel.com).
02. Any clarification with respect to procedure for registration may be obtained from the Source Development Cell of respective BHEL unit.
03. All sheets of above form are to be filled up and signed by the authorised signatory.
04. Please attach separate sheet if the space provided is insufficient. For any other information also, separate sheet may be attached.
05. Any information / clarification required by BHEL during processing of registration must be given expeditiously.
06. Please ensure that all required enclosures are attached with the filled up Supplier Registration Form and list of enclosures is given as required.
07. Please fill up the check- list given on next page and send along with the Supplier Registration Forms to BHEL.

**CHECK-LIST FOR FOREIGN SUPPLIERS REGISTRATION FORM**

S.No.	Check-Point	Yes/No
1.0	Information against all points in the Supplier Registration Form has been given.	
2.0	Authorisation letter has been enclosed ( in case of Indian agent )	
3.0	Banker's certificate has been enclosed	
4.0	Are you an ISO: 9001-2000 accredited supplier ?	
4.1	If yes, have you enclosed copy of ISO 9001-2000 accreditation certificate & "Table of Contents" of your Quality Manual ?	
4.2	If no , have you enclosed written down procedure / manual of Quality Management System ?	
5.0	Have you enclosed experience list ( as per sl. 4.0 of the form VRG AA01 )	
6.0	List of enclosures has been furnished ( as per Sl 6.0 of the form VRG AA01)	
7.0	All the pages of the form & enclosures have been signed by Authorised Signatory.	

Date :

Signature & seal

(Authorised Signatory)

**Note : This check list is to be attached with the filled up Supplier Registration Form.**



**BHARAT HEAVY ELECTRICALS LIMITED , INDIA**

**FORM NO. VRG AA01 ( FOREIGN SUPPLIER )**

**Page 02 of 03**

**SUPPLIER REGISTRATION FORM**

1.7 CONTACT PERSON (S) FOR PRODUCT OFFERED :

NAME (S) :

OFFICIAL CAPACITY :

ADDRESS :

TELEPHONE : FAX :

E-MAIL :

1.8 YEAR OF ESTABLISHMENT :

1.9 PRODUCTION CAPACITY PER ANNUM :

1.10 PARTICULARS OF PRODUCTS INCLUDING SPECIFICATION AND RANGE OFFERED FOR REGISTRATION : ( **ATTACH BROCHURES AND CATALOGUES** )

1.11 NAME (S) OF BANKERS :

1.12 BANKER'S CERTIFICATE AS TO CREDITWORTHINESS OF THE CLIENT  
( **Enclose Certificate** ) :

1.13 PORT OF LOADING :

1.14 NEAREST AIRPORT :

1.15 D&B D-U-N-S Number :  
( Dun & Bradstreet nine digit identification number, not mandatory )

1.16 ANY OTHER INFORMATION :

FOR BHEL USE

BHEL CERTIFIED  
ASSESSOR

SUPPLIER'S AUTHORISED SIGNATORY

**BHARAT HEAVY ELECTRICALS LIMITED , INDIA**

**FORM NO. VRG AA01 ( FOREIGN SUPPLIER )**

**Page 03 of 03**

**SUPPLIER REGISTRATION FORM**

**2.0 FINANCIAL INFORMATION :**

ANNUAL TURN OVER AND PROFIT AFTER TAX FOR  
LAST 3 YEARS : YEAR -1 :

YEAR-2 :

YEAR-3 :

( COPY OF AUDITED ANNUAL ACCOUNTS FOR LAST 3 YEARS TO BE ENCLOSED)

**3.0 QUALITY MANAGEMENT SYSTEM :**

3.1 IS THE COMPANY ISO:9001 :2000 CERTIFIED : YES / NO

3.1.1 IF YES, **ENCLOSE** COPY OF CERTIFICATE & TABLE OF CONTENTS OF QUALITY  
MANUAL

3.1.2 IF NO, FORMATS VQS AA01 ( QUALITY SYSTEM ) ARE TO BE FILLED UP .

4.0 EXPERIENCE LIST FOR OFFERED / SIMILAR ITEMS :

(ATTACH LIST OF PRESENT CUSTOMERS WITH NAME & ADDRESS FOR  
OFFERED / SIMILAR TYPE & SIZE OF ITEM / EQUIPMENT FOR WHICH  
REGISTRATION HAS BEEN SOUGHT AND WITH WHOM YOU HAVE  
CONTINUOUS BUSINESS SINCE LAST THREE YEARS )

5.0 LIST OF ENCLOSURES :

( BROCHURES, CATALOGUES, TECHNICAL LITERATURE ETC.)

6.0 ANY OTHER INFORMATION :

SIGNATURE OF SUPPLIER :

NAME :

DESIGNATION :

DATE :

OFFICIAL SEAL :

FOR BHEL USE

SUPPLIER'S AUTHORIZED SIGNATORY

BHEL CERTIFIED  
ASSESSOR

## **Gaps in Implementation**

- **PMD**
  - For Direct Materials to be cleaned by Mar'05
  - For Indirect Material to be created by Nov'05
  
- **Service rating to be made more effective.**
  - Presently pro rata based on quality and delivery rating is given.
  
- **Assessment report not available on line**
  - Need for developing Web based system for exchange of data between units
  - PEM system to be studied and adopted corporation wide
  
- **Feedback to be given to supplier at following stages**
  - Acknowledgement on receipt of application – within 3 days.
  - Regret/ processing information – within one week
  - Registration process not completed in six months
  - Annual SPR
  
- **SDC should have a rolling plan for enlistment of suppliers in each category and act as front end to suppliers.**
  
- **Re-assessment of existing suppliers, including sub-contractors, not being done**
  
- **System will be simplified for effective Registration of ancillaries/sub-contractors – to be completed within one year**

**PROPOSAL FOR CHANGE**

Document : Supplier, Evaluation, Approval and Review Process

Document No.: **AA: MM:SR:01**

Rev No. : 00

The following changes are proposed:-

Sl. No.	Chapter/ Clause/ Page No.	Existing text	Proposed Text

Recommended by

Proposed by

(Head, MM)

Name:

Designation:

Unit:

Name:

Designation

Unit