

**Bharat Heavy Electricals Limited
4TH Floor, Administrative Building,
BHEL, Ramachandrapuram,
Hyderabad 502032.**

REQUEST FOR EXPRESSION OF INTEREST

Reference No:M1/07/SAP/PS1

Company Name	Bharat Heavy Electricals Limited
Subject	Request for Expression Of Interest (EOI) for implementation of SAP systems
Date	1st August 2007
EOI to be sent to:	DGM/CMM, Purchase Coordination 4 TH Floor, Administrative Building BHEL, Ramachandrapuram, Hyderabad- 502032
Contact Number	23182322
Last date for the receipt of EOI	21st Aug 2007 by 2.00 PM

SECTION I

1.0 INTRODUCTION

1.1 This form can be used as a basis for being invited to tender for forthcoming projects for implementing SAP across Bharat Heavy Electricals Limited (BHEL), RCPuram, Hyderabad Unit. The information provided will be used in drawing up short list of potential implementation partners to be invited to tender. Submitting an expression of interest (EOI) does not guarantee inclusion on this short list. All those participated in EOI will be informed of the outcome.

1.2 Company Overview: BHARAT HEAVY ELECTRICALS LIMITED (BHEL) , RCPuram, Hyderabad Unit is into the manufacture of different Power station equipment like Gas Turbines, Steam turbines, Compressors, Pumps, Electrical Machines, Heat Exchangers, Pulverizers etc. BHEL also manufactures Switchgear Equipment and Oil Rigs.

1.3 Purpose of the EOI: This document is only a request for information and not request for proposal.

BHEL proposes to implement SAP for automating its entire Business suit of applications. All the processes of Gas Turbine Product are running on SAP platform and all other product business processes are on ORACLE platform.

The objective is to integrate the overall Business functions incorporating all activities including Commercial Management, Materials Management, Production Management, Project Management and Financial Management, Project System etc areas of operations.

The implementation will also integrate with SAP-HR Module including Payroll (under implementation across all units as a corporate initiative) and other web enabled applications developed in ORACLE for SCM/CRM areas.

1.4 Scope of work:

The following modules are planned for SAP implementation in BHEL

1. Project Management
2. Sales and Distribution (Emphasis on Variant configuration)
3. Production Planning
4. Materials Management including Subcontract activities and Inventory Mgmt
5. Manufacturing
6. Plant Maintenance and Services
7. Finance Management & Accounting
8. Fixed Assets Management
9. Costing
10. Engineering & Change Management
11. Product Life Cycle Management
12. Business Intelligence Warehouse
13. Planning & Budgetary Control
14. Marketing
15. Quality Management
16. Customer Relationship Management
17. Supplier Relationship Management
18. Logistic Management
19. Risk Management

Please note the modules selected and implementation can vary as per requirements.

1.5 Turnkey approach

The contract is one in which the ERP implementer implements and passes an acceptance test of the software, training, and documentation.

1.6 False and Misleading statements

If any information provided by the respondent is found to be inaccurate at any stage of the selection process, BHEL may, at its discretion, reject the offer of the respondent and no correspondence will be entertained in this regard. Submission of wrong and/or false information may also disqualify the POTENTIAL IMPLEMENTER from any future work from BHEL.

1.7 Clarification of EOI

BHEL reserves the right to obtain clarification of any point in an implementer's EOI or to obtain additional information necessary to properly evaluate. Failure of an implementer to respond to such a request for additional information or clarification may result in rejection of implementer's EOI.

1.8 Responsiveness

EOI should respond to all requirements to the maximum extent possible. Implementers are asked to clearly identify limitations or exceptions to the requirements inherent in the proposed system. Alternative approaches will be given consideration if that approach clearly offers increased benefits to BHEL.

1.9 Format of the EOI

For ease of finding required information the bidder's responses should be as per annexures. Other materials not directly related to the stated requirements are to be included in the Appendices.

1.10 Delivery and implementation schedule

The bidder must include a realistic delivery and implementation schedule in the form of bar chart in terms of weeks following contract signing. **Tasks to be performed by the implementer as well as by BHEL should be specifically stated and included in the schedule for project implementation within 10 months.**

1.11 User References

BHEL also reserves the right to request a demonstration of the system at a mutually acceptable site. Failure to provide suitable references or a functional demonstration acceptable to BHEL will result in the implementer's bid being rejected without further consideration.

1.12 Payment schedule

Provide a payment schedule by percentage according to the following:

Contract Execution:

Successful Acceptance Test:

Annual Maintenance:

Training Expenses:

1.13 Implementer's preliminary evaluation criteria

The following general criteria will be used to evaluate the responses.

- Implementer's ability to implement the software
- Number of implementations successfully carried out in similar line of business as BHEL, Hyderabad (Manufacture of *Gas Turbines, Steam Turbines,*

Compressors, Turbo Generators, Heat Exchangers, Pumps, Pulverizers , Switch Gears, Oil Rigs, Project Engineering).

- Implementation duration
- Domain expertise of the professionals employed
- Results of reference checks and on-site/off-site demonstrations
- Level, quality and type of client training and technical assistance provided
- Help towards migration of data from legacy systems
- Implementer's financial status
- Certifications like CMM, ISO obtained by the implementer
- Customer Feedback

1.13.1 On installation of the software, the implementer has to identify the customization requirements, submit a System Requirement Specifications (SRS) in writing and get it approved by the BHEL.

1.13.2 Implementer has to provide the list of master data that has to be made ready by the Company.

1.13.3 Implementer has to enter into a non-disclosure of data agreement with the Company and also a contract for implementing the application.

1.13.4 Implementer will be responsible for data migration also.

1.13.5 The implementer should also indicate the size of the proposed implementation team for BHEL and also a brief resume of the consultants that they plan to depute for this assignment. This should be submitted along with the proposal.

1.14 Expenses for responses

Potential Implementer is solely responsible for their expenses, if any, in preparing a response to this Request for Proposal. This would include any costs incurred during initial presentation or subsequent negotiations.

1.15 BHEL reserves the right to go for Reverse Auction, instead of opening submitted Sealed bids which will be decided after technical evaluation subsequently during Tender process stage.

Annexure I

SI No	Criterion	Vendor Response (Attach sheets for your response)
1.0	The Implementer should have the status of an Authorized SAP Implementation partner.	
1.1	Please also specify the partnership period.	
2.0	Total Number of implementations of SAP	
2.1	Please specify the number of Full- Cycle implementation of SAP as on 1 st April 2007. These implementations should have been done in Organizations having similar business as BHEL in a diversified business environment (project-centric and product-centric approaches). The Implementer should have done implementations using latest version of SAP like ECC 6.0 or its previous version (5.0) The Implementer should have used SAP Process Methodology and Solution Manager. <i>These details to be submitted as per annexure III format</i>	
2.2	Total number of discrete implementations of SAP <i>These details to be submitted as per annexure III format</i>	
3	The Implementer should have a well established presence in India with an installed base to implement and support the SAP through-out the life time, including the ability to provide a timely response and service to BHEL over the period of the contract	
3.1	The Implementer shall carry out due diligence before submission of EOI	
4	Consultants profile: (Number and Years of experience)	
4.1	Project Managers	
4.2	Functional Consultants	
4.3	ABAP consultants	
4.4	BASIS	
5	Indicate the proposed project completion schedule(no of months)	
6.0	The Implementer should be able to provide implementation and subsequently support services directly.	
7	The Implementer should ensure that ASAP Methodology should be deployed and used during the entire Project Life Cycle.	

8	The Implementer should ensure that Solution Manager Methodology should be deployed and used during the entire Project Life Cycle.	
9	The Implementer should have capability to handle soft issues like Change Management.	
10	The Implementer should have capability to handle Risk Management like controlling project delays.	
11	The Implementer should ensure that recommendations of audits and reviews by SAP are implemented.	
12	The Implementer should have implemented country India version	
13	PI specify vendor scope of work involved and the support service required for successful implementation in time	
14	It is presumed that initially there will be 600 concurrent users and the numbers will grow proportionately each year based on the transactions. These users are located all over the factory and they will be working on different modules simultaneously. The servers will be hosted centrally in its data center in Hyderabad. Apart from the intranet operations there will be few users who will be accessing the services through secured VPN and also the internet.	

14.1	Size the minimum hardware requirement for development, quality & production. Provide justification in terms of response time for Typical transactions. (eg: MM transaction)	
14.2	Size Bandwidth requirements per for typical transactions user or cluster of users. Provide justification in terms of response time	
14.3	Documentation of the configuration in detail, and train & perform knowledge transfer to the appropriate people (including the contract staff of BHEL) before implementation shall be carried out	
14.4	Agreement to execute this project on fixed price basis.	
14.5	Agreement to execute the support contract on fixed price basis	
	Explain the process of scope control for fixed price basis.	
14.6	Agreement to execute service level agreement with penalties including termination (provide your sample SLA & penalties & termination clauses)	
14.7	State the top 10 risks in the execution of SAP implementation project. Provide your experience in mitigating the same.	
14.8	Provide details of your project management process (Planning, Staffing, Execution, Monitoring and Controlling)	
14.9	Provide details of your Program Management process (Program Monitoring & Control, Program review & Assessment)	

14.10	State the top 5 critical success factors that you have observed during the implementation of SAP. How will you ensure that these factors are kept in control while you execute the project?	
14.11	Provide the top 5 common mistakes made while implementing SAP. How will you ensure that these mistakes are consciously avoided while you execute this project?	
14.12	Based on your past experience on similar projects & the indicative information given above, provide a detailed schedule including phase wise approach. BHEL would like to benefit from the implementation 'Early On' in the cycle.(Low hanging fruit)	
15	Additional Information if any can be provided	

ANNEXURE II.

COMPANY PROFILE:

i) Financial Information

Financial Year	Overall Turn Over	Turnover of SAP implementation	Net Profit
2003-04 (Rupees in crores or USD)			
2004-05 (Rupees in crores or USD)			
2005-06 (Rupees in crores or USD)			
2006-07 (Rupees in crores or USD)			

ii) Copies of Audited P & L A/c and Balance Sheet for the above 3 years to be attached with the EOI-responses.

S.No.	Particulars	Response
1	Name of the Company/Firm	
2	Country and Date of Incorporation	
3	Head Quarters address	
4	Communication Details of Contact Official(s) Name Phone Number Fax Number E-mail Address	
5	Ownership structure (e.g. Inc., partnership) a. Details of primary shareholders. b. In case of limited companies, names of major shareholders with Percentage holding.	
6	Total number of offices in India and list thereof	
7	Total number of employees for SAP implementation	
8	If the company/firm is not engaged in only providing Business Process Solutions, major activities to be listed	
9	Experience in Business Process Solutions (no. of years with details of significant work done)	
10	Quality Certifications (pl specify)	
11	Furnish information relating to the Clients as per contact list enclosed(as per annexure III)	

12	Furnish details of pending/past litigations within the last 3 years, if any.	
13	Independent analyst report about your Company/Firm (if any)	
14	Brief Bio data of the key personnel to be associated with the proposed project	
15	Name and address of Indian representative/office, if any (indicate: own or joint venture)	

Annexure III

S.No	Name of Client and Nature of business	SAP Version	Brief Information about modules implemented and its processes	Implementation Cycle time and year of implementation	No of SAP licenses	Process methodology adopted (eg. ASAP, Solution Manager)

SECTION II

Submission & Opening of EOI Document: The application for Expression of Interest must be submitted in sealed envelopes, super scribed

"Expression of Interest for SAP", reference No: M1/07/SAP/PS1 & Due date:

21/08/2007

and addressed to:

**DGM/CMM, Purchase Coordination,
4TH Floor, Administrative Building
BHEL, Ramachandrapuram,
Hyderabad- 502032.**

In addition to the above, a soft copy of EOI documents should be forwarded to the following e-mail address: **tenderbox@bhelhyd.co.in**. The subject of the mail should be clearly marked as "SAP EOI Response".

The covers can be deposited in **tender box** kept in

**Purchase Coordination
4TH Floor, Administrative Building
BHEL, Ramachandrapuram,
Hyderabad- 502032.**

The EOI should be submitted in DUPLICATE to reach on or before **21st Aug 2007 by 2.00 PM.**

The covers /emails will be opened on the same day after 2.30 PM in the presence of available parties.