



KUDREMUKH

KIOCL LIMITED

PROJECT DEPARTMENT MANUAL

PROJECT DEPARTMENT MANUAL

(PELLET & BFU)

KIOCL LTD



KUDREMU KH

KIOCL LIMITED

PROJECT DEPARTMENT MANUAL



सत्यमेव जयते

प्रमोद कुमार रस्तोगी
P. K. Rastogi



जय हिन्द

सचिव
इस्पात मंत्रालय
भारत सरकार,
उद्योग भवन, नई दिल्ली
SECRETARY
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29th May, 2009

FOREWORD

Companies under Government ownership or large public participants depend on full time Board Members and independent Board Members to carry on the activities of the Company to achieve the goal for which the Company is established. It will be difficult for large stakeholders to participate in day-to-day management.

The Management being the trustee on behalf of the stakeholders, they should observe strict discipline in conducting the day-to-day activities in the larger interest of the organization. Every issue will have a different dimension depending on the concerned employee/executive looking into the same. To converge different ideas and to take a consistent stand on the issues, it is necessary that guidelines are laid down which are free from distortion and provide clear cut directions.

Manuals play a very important role in this direction and act as a ready-reckoner even to the new-corner into the organization. In this respect, KIOCL Limited has got prepared 11 Manuals comprising of all Departments. These Manuals take care of the present working conditions and the possible changes that may occur in near future.

I congratulate KIOCL team for their efforts in bringing out these Manuals and I sincerely hope that these will be updated from time to time to keep abreast of the changing working environment.

m. rastogi
(P.K. Rastogi)



KUDREMUKH



ಕೆ. ರಂಗನಾಥ
ಅಧ್ಯಕ್ಷ ಮತ್ತು ಮುಖ್ಯ ನಿರ್ದೇಶಕ

के. रंगनाथ
अध्यक्ष व प्रबन्ध निदेशक

K. RANGANATH
Chairman-cum-Managing Director



ISO 9001, 14001 & OHSAS 18001 COMPANY

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(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)
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(भारत सरकार का उद्यम)
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KIOCL Limited
(A Government of India Enterprise)
2 Block, Koramangala, Bangalore - 560 034.

July 18, 2009

FOREWORD

The requirement of department manuals was felt for a long time to streamline the functions of the department and to define the roles & responsibilities of the employees working in various departments.

Keeping this in view, KIOCL LTD prepared 11 department manuals which explain in detail the functions of these individual department & its responsibilities, detailed working procedures and decision making process etc.

I am happy to record that the officials of KIOCL Ltd and the Consultant M/s Chunder Khator & Associates, Kolkata have put in their best efforts to bring out these manuals successfully.

I am sure that these manuals will provide necessary guidance and support during various stages of departmental activities for taking suitable decision as per company policies and guidelines. Further, these manuals will be helpful not only to the KIOCL Ltd but for other stake holders also to understand the working procedure of the each individual departments and company as a whole.

I congratulate all the concerned officials for their sincere effort in preparation of these manuals in a systematic and time bound manner.

I hope the respective departments follow the procedures laid down in the manuals to perform their day to day activities and improve up on continuous basis.

K. Ranganath
(K.Ranganath)



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SEGMENT - 1	PERSPECTIVE
Ref. No. 1.1	Subject-Genesis & Scope of Manual
Ref. No. 1.2	Subject- Function
Ref. No. 1.3	Subject- Objectives
Ref. No. 1.4	Subject- Policy

Description/Process Flow/Control Perspective	Document	Responsibility
1.1 GENESIS & SCOPE Supervising of Sanctioned Medium/ Capital Projects awarded to outside agencies. In case of Lump sum Turnkey projects the Projects Department acts as a coordinator between executing agencies and the Organisation.	-	
1.2 Functions Supervision & Coordination of the Projects of which the Contract has been awarded as per the Organisation's rule by Contracts/Technical Services Department.	-	
1.3 Objectives To complete the project as per time scheduled within the approved cost and maintain quality of material and workmanship.	-	
1.4 Policy To achieve satisfactory & desired quality of work.	-	



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SEGMENT - 2	TYPES OF PROJECTS
Ref. No. 2.1	Subject-Initiation
Ref. No. 2.2	Subject- Civil /Maintenance Jobs
Ref. No. 2.3	Subject- Capital Projects

Description/Process Flow/Control Perspective	Document	Responsibility
<p>2.1 Initiation</p> <p>a) All projects/jobs/work are initiated by the indenter/user/ Company requirements, or business/quality/productivity/environmental necessities.</p> <p>b) Depending on the Value of the work required/ authorisation level, the work is allotted to the Project Department for execution.</p> <p>c) Projects are initiated by a Note raised by the Indenter/User/TS department at Corporate Office.</p> <p>d) Implementation/Co-ordination of the Work termed as a Project, is handled by the Project Department.</p> <p>e) The Implementation/Co-ordination of the Project is started after all Tender formalities are completed, and a Contractor / Consultant / Agency has been appointed.</p>	<p>Checklist for procurement / sales / service contracts.</p>	<p>User Department.</p>
<p>2.2 Civil / Maintenance Jobs</p> <p>Large Civil / Maintenance / construction jobs are handled by the Project Section.</p>		<p>Project Technical Services</p>
<p>2.3 Capital Projects</p> <p>Projects initiated by T&S Department, Bangalore are implemented / coordinated by the Project Department. These may include :</p> <p>a) Technology up gradation.</p> <p>b) Capacity enhancement</p> <p>c) Pollution Control</p> <p>d) Repair jobs requiring large investments</p> <p>e) Lumpsum turnkey projects</p> <p>f) New Project for Diversified Product.</p>		<p>Project Technical Services</p>



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SEGMENT - 3	TENDERING PROCEDURE
Ref. No. 3.1	Subject-Tendering

Description/Process Flow/Control Perspective	Document	Responsibility
<p>3.1 Tendering</p> <p>Tendering, and appointment of a Contractor/Consultant/Agency is done by the Contracts Department, or T & S Department depending on the value of Work/Project</p>	Refer to Contracts Manual for details.	T& S / Contracts
<p>3.2 Fraud prevention policy of KIOCL Limited:</p> <p>Every one may take note that a "Fraud Prevention Policy" is being followed at KIOCL, which provides a system for prevention / detection / reporting of any fraud. It also forbids everyone from involvement in any fraudulent activity and that where any fraudulent activity is suspected by anyone, the matter must be reported to the 'Nodal Officer' (Chief Vigilance Officer) as soon as he / she comes to know of any fraud or suspected fraud.</p>	Fraud Prevention Policy	HOD, Contract Department



SEGMENT - 4	PLANNING & EXECUTION
Ref. No. 4.1	Subject-Planning
Ref. No. 4.2	Subject-Execution

Description/Process Flow/Control Perspective	Document	Responsibility
<p>4.1 Planning Planning is done for the following:</p> <ul style="list-style-type: none"> a) Site clearances and dates of Shutdown, if required. b) Material & Manpower planning for required Job/Project is done by Indenter/User. c) Safety department will enforce and monitor the safety aspects of the job. Required safety appliances to be provided by the Contractor. d) Projects initiated by Technical Services Department, are generally awarded on Turn-key basis, and man-power & materials are supplied by the principal Contractor. 	<p>Stores Issue Voucher(SIV) is filled by Engineer-in-charge and material is issued to the contractor KICOL/M/CS/QF-50</p>	<p>User dept. Stores</p>
<p>4.2 Execution The Project department ensures the following :</p> <ul style="list-style-type: none"> a) The Shut-down of the Plant is taken as planned. b) Men & Materials are in place. c) All statutory obligations are complied with. d) Job is progressed and completed as per Bar-chart given by Contractor/ Principle Consultant. e) Periodic meeting is held with the Contractor/Consultant to iron out issues, and ensure work progresses as per plan. f) Trials & Test runs are done as per schedule and conform to specifications agreed in the Contract. g) Record all the Test Run parameters. h) The Project is handed over to the User / Initiator. 	<p>Minutes of the Meeting</p>	<p>Project Project Project</p>



SEGMENT - 5	CONTROL OF RESOURCES
Ref. No. 5.1	Subject-Stores
Ref. No. 5.2	Subject-Utilities
Ref. No. 5.3	Subject-Facilitator

Description/Process Flow/Control Perspective	Document	Responsibility
<p>5.1 Stores</p> <p>a) All consignments from the Contractor are consigned to KIOCL Stores of respective locations.</p> <p>b) All Items received against the Project Order are verified by the Stores for Inspection Reports of KIOCL Limited & Dispatch Documents, before accepting them in the stores.</p> <p>c) Stores Issue Voucher (SIV) is filled up by Engineer-in-Charge and material is issued to the contractor.</p> <p>d) Bills for consignments are released for payments after obtaining approval of D(P&P), with the concurrence of Finance.</p>	<p>Stores Receipt Voucher</p> <p>KIOCL/M/CS/QF-50</p> <p>Bills, Challans & I & P Inspection Note</p>	<p>I & P /</p> <p>Stores</p> <p>Project</p>
<p>5.2 Utilities</p> <p>a) Utilities such as Power, Water, Work Permit as required are provided to the Contractor on application, as per the terms of Work Order.</p> <p>b) Power & Water services are metered at the Contractors end and charged to them or Power & Water services are provided by owner free of cost at one point. This is done as per agreement.</p>		<p>Project</p>
<p>5.3 Facilitator</p> <p>a) The Project Department's major responsibility is to facilitate the Contractor in the Progress & Completion of the Task, from KIOCL Limited's end.</p> <p>b) The responsible Project Manager/ Engineer, coordinates with all the KIOCL Limited's departments to unlock bottlenecks, and complete the task within planned time and cost.</p>		<p>Project</p>



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SEGMENT - 6	PROJECT REVIEW
Ref. No. 6.1	Subject-Project Review

Description/Process Flow/Control Perspective	Document	Responsibility
<p>6.1 Project Review. The progress of the Project is reviewed at determined frequency for the following :</p> <ul style="list-style-type: none">a) Receipt of Materials/ Stores.b) Progress of work with respect to the Bar Chart provided by the Contractor / Principal consultant.c) Clearing of hurdles/issues face by the Contractor, in the progress of his work.d) Coordination with various internal/external agencies.e) Quality of work.f) Bar Chart is up dated at these reviews, if required.	<p>KIOCL/M/CS/QF-50 KIOCL/M/CS/QF-44 Minutes of the meetings</p>	<p>Project, User Dept, Finance, T.S.</p>



SEGMENT - 7	PROJECT COMPLETION
Ref. No. 7.1	Payment procedure
Ref. No. 7.2	Subject-Performance Guarantee Tests
Ref. No. 7.3	Subject-Bill Payment Certificates

Description/Process Flow/Control Perspective	Document	Responsibility
<p>7.1 Payment procedure</p> <p>(i) Payments for the work done shall be made as per the terms of the contract and as per the provision made in KIOCL Ltd's general conditions of contract against contractor's request letter for releasing the payment in the form of Bill/Invoice.</p> <p>(ii) For all the works done, the procedure of measurement shall be as specified in respective work orders/contracts and such measurement are recorded in Measurement Book (MB) duly signed by HOD, Engineer-in-charge & the contractor.</p> <p>(iii) Reconciliation for the owner issued items shall be made considering the allowable wastages specified in General conditions of contract/Work Order.</p> <p>(iv) For progressive (running) payments, a note is prepared by Engineer-in-charge recommending for release of contractor's bill and forwarded through HOD to Finance Department along with Quantity Verification and Progress Report (QVPR) (KIOCL/MR/TC/QF-07) and Measurement Book. In case of final bill the same procedure is adopted and in addition, certificates like Check List (KIOCL/MR/TC/QF-14), No Demand Certificate(KIOCL/MR/TC/QF-12), No claim Certificate (KIOCL/MR/TC/QF-09), Material reconciliation Statement (if owner has issued items) are to be enclosed.</p> <p>(v) Recovery towards security deposit/performance guarantee shall be done as per the provisions of General conditions of contract/Work Order.</p> <p>7.2 Performance Guarantee Tests</p> <p>a) After the Final Acceptance Test is conducted satisfactorily, the Performance Guarantee Test is conducted. The Plant is run by the Contractor along with the KIOCL Limited's Operation team, as per the provisions of Work order. All performance parameters are noted jointly, to ascertain the satisfactory performance to meet the contracted performance parameters over a pre-determined period. After successful performance test, the final bill will be released. Bank Guarantee / Security Deposit is released on successful completion of guarantee period, if there is no claim, as specified in the contract. The approval for release of payment of bill must be obtained from the competent authority as per delegation of powers.</p> <p>7.3 The project departments issues the following :</p> <p>a) Work completion Certificate.</p> <p>b) No claim certificate.</p> <p>c) No demand Certificate</p> <p>d) Check list for final bill payment.</p> <p>e) Measurement Book</p> <p>f) Maintenance Certificate.</p> <p>g) Quantity verification and Progress Report.</p>	<p>KIOCL/MR/TC/QF-08</p> <p>KIOCL/MR/TC/QF-09</p> <p>KIOCL/MR/TC/QF-12</p> <p>KIOCL/MR/TC/QF-14</p> <p>KIOCL/MR/TC/QF-19</p> <p>KIOCL/MR/TC/QF-13</p> <p>KIOCL/MR/TS/QF-07</p>	<p>Project</p> <p>Project</p> <p>Project</p> <p>Project</p> <p>Project</p> <p>Project</p> <p>Project</p>



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SEGMENT - 8	FORMS
Ref. No. 8.1	Subject-Forms for Project Manual

KIOCL Ltd
MANGALORE
PROJECT DEPARTMENT
CHECK LIST FOR FINAL BILL

KIOCL/MR/TC/QF/-14

1. Name of the work :
2. Reference /Work Order No. :
3. Agency :
4. Date of Start :
5. Date of Completion :
6. Extension of time if any :
7. Maintenance period :
8. Work Order Amount :
9. Actual Amount :
10. Whether extra item executed /
Rate :
11. Deviation Statement if any
Whether enclosed :
12. Reference to MB No. and Page No/s. :
13. Recovery of department issue
of materials, if any :
14. No demand certificate :
15. Satisfaction completion certificate :
16. No claim certificate :

ENGINEER IN CHARGE:

Date :



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KIOCL Ltd.
MANGALORE
PROJECT DEPARTMENT
QUANTITY VERIFICATION AND PROGRESS REPORT

KIOCL/MR/TC/QF/-07

1. Work Completion Certificate

Name of work :

WO No : _____

From _____

Agency : _____

Billing Period _____

to _____

MB No _____

Page No. From _____

to _____

Item no	Description of item	Unit	Price(Rs)	Quantities			Amount		
				Previous	Current	To date	Previous	Current	To date

Contractor

Engineer –in-charge



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Work completion Certificate

KIOCL/MR/TC/QF - 08

1. Name of the work :
2. Reference/Work Order No.:
3. Agency :

This is to certify that there is nothing outstanding to be recovered from the agency against the said work either financially or recoveries against material issued departmentally.

Engineer in charge :

Date :

KIOCL Ltd.
MANGALORE
PROJECT DEPARTMENT

NO CLAIM CERTIFICATE

KIOCL/MR/TC/QF - 09

1. Name of the work :
2. Reference/ Work Order No. :
3. Agency :

This is to certify that there is no claim outstanding from M/S KIOCL Ltd. towards the above work executed by me .

Contractor :

Date :



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MANGALORE
PROJECT DEPARTMENT

NO DEMAND CERTIFICATE

KIOCL/MR/TC/QF - 12

1. Name of the work :
2. Reference/ Work Order No. :
3. Agency :

This is to certify that there is nothing outstanding to be recovered from the agency against the said work either financially or recoveries against material issued departmentally.

Engineer in charge:

Date:



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PROJECT DEPARTMENT

MAINTANANCE CERTIFICATE

KIOCL/MR/TC/QF - 13

1. Name of the work :
2. Reference Work Order No. :
3. Agency :

It is certified that the contractor has satisfactorily completed the maintenance period on his work specified in the Letter of intent and contractor has fulfilled his obligations as per the terms and conditions of the Letter of Intent / contract.

Engineer-in-charge

Head of the Department



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KIOCL Ltd.
MANGALORE
PROJECT DEPARTMENT

MATERIAL RETURN VOUCHER

KIOCL/K/CS/QF-44

Sl. No.	Commodity Code no with CO	Description of item	Part No	Unit	Qty Returned	SIV No & Date against which drawn	Qty Accepted	Qty balance	Line No	Locati-on code	Rate Per Unit	Total cost
Note a) Stores officers authorization is required for unused but serviceable b) material code and check digit to be filled in by store dept. for unserviceable item							CONDITION OF MATERIAL RETURNED					
Returned	Certified	Authorised	Received	Bin card posted			1.Unused :	2.Unservice able :				
By _____	By _____	By _____	By _____	By _____			3.Used but service able :	5.Warrenty replacement :				
Sig _____	sig _____	sig _____	sig _____	sig _____			4.Repaired & Reconditioned :					
Grand total value _____	Debit Account _____	Credit Account _____	Remark _____									

**CHECK LIST FOR PROCUREMENTS/ SALES / SERVICE CONTRACTS**

Sl. No	Item	Details	Page No.
1	Name of the Proposal and date		
2	Estimated cost of Contract/ Order: Rs.		
3	Recommended date of commencement of work/ delivery of material		
4	Type of Tender recommended/approved.		
5	Approving authority (as per delegation of power)		
6	Date of approval of Competent Authority with justification.		
7	Date of Publishing Tender Notice in Company's website		
8	Date of publishing Tender Notice in News papers		
9	Date of opening of tender		
10	Negotiation with L1		
11	Actual date of award of Contract/ Order		
12	W.O. No.		
13	Period of Contract		
14	Value of contract		
15	Name of IEM, mentioned in the order/contract, (if applicable).		
16	Details furnished to the IEM on.		
17	Date of updating of work awarded, details in the website.		
18	Status of the Contract/Order.		



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SEGMENT - 8	FORMS
Ref. No. 8.2	Subject-List of forms

<u>Process</u>	<u>Forms</u>	<u>Records</u>
CHECK LIST FOR FINAL BILL	KIOCL/MR/TC/QF - 14	Department Folder/file
QUANTITY VERIFICATION AND PROGRESS REPORT	KIOCL/MR/TC/QF - 07	Department Folder/file
WORK COMPLETION CERTIFICATE	KIOCL/MR/TC/QF - 08	Department Folder/file
NO CLAIM CERTIFICATE	KIOCL/MR/TC/QF - 09	Department Folder/file
NO DEMAND CERTIFICATE	KIOCL/MR/TC/QF - 12	Department Folder/file
MAINTANANCE CERTIFICATE	KIOCL/MR/TC/QF - 13	Department Folder/file
MATERIAL RETURN VOUCHER	KIOCL/K/CS/QF - 44	Department Folder/file
CHECKLIST FOR PROCUREMENT/SALES/SERVICE CONTRACTS	FORMAT A 2409366	Department Folder/file