

# Unique eProcurement initiative of Mahanadi Coalfields Limited

A close interaction with **Sh. A.N Sahay**, Chairman-cum-MD, MCL....

**Sir, we express our sincere thanks to you for providing your valuable time and the opportunity of this valuable interaction with you. We would like to hear from you about the recent achievements of MCL.**

**CMD-** It is a fact that MCL being the youngest company among all subsidiary companies of Coal India Limited established only in 1992 has now become the second largest Coal Producer of India producing more than 100 Million Tonne of Coal per year and is the highest profit making subsidiary company of CIL. It has been the constant endeavor of MCL to bring about innovation in different fields and to strive for excellence. MCL has been fairly successful not only in adopting innovative methods of production of coal but also in Corporate Governance and as well as procurement system adopted for goods and services. The success of MCL in implementing eProcurement system is exemplary to other organisations.

**Can you please elaborate little more on eProcurement?**

**CMD-** We are a Mini Ratna Public Sector Company of Govt. of India and we believe in extensive use of ICT in Corporate Governance. eProcurement is a G2B (Government to Business) application. For the success of the organization it is absolutely essential to finalize the Tenders quickly without compromising the quality of decision making and transparency of tendering process. Earlier in case of manual



tendering system we were obtaining offer consisting of documents containing information about the bid. During evaluation of tenders we were extracting the relevant information from the submitted documents and using those information with subjective interpretations. Now with the advent of e-Procurement the relevant information is obtained from the Bidders in a highly structured objective format which are evaluated by portal software. This has made the evaluation of bids very fast and highly transparent. There are many advantages of eProcurement, particularly for a PSU and hence we are committed towards its implementation and constant improvements in the system.

**How this journey was started?**

**CMD-** MCL's eProcurement journey was started in the year 2007-2008; however the project got an impetus in 2009 with introduction of GePNIC (Government

eProcurement Application of NIC). It is on 15th August 2009 when MCL started this system by floating pilot tenders.

**But how did this project was helpful to MCL?**

**CMD-** This project is very helpful to us because of its direct link with the main Business of our Company, which is Coal Production. As you know tendering is a cumbersome process and has many inherent stumbling blocks. For the smooth functioning of any corporate it is absolutely essential to finalize the procurement of goods, works and services in a quick and transparent manner. With the help of eProcurement we have been able to reduce our procurement time significantly with added convenience and better transparency.

**How these uneasy processes were eliminated as far as Procurement is concerned?**

**CMD-** We made a systematic study of the existing process and re-engineered our system to meet the requirement of automatic evaluation of bids by the e-Procurement portal software. Now this web based application takes care of our tendering need like Publication of Tenders, Bid submission, Online Evaluation of Tender and finally Award of Contract. We have recently introduced online payment of EMD and Tender fee thus enhancing transparency and convenience to the Bidders.

**This is quite interesting and what**

**is so unique to this implementation?**

**CMD-**Yes, this is a question I love to answer. MCL is the only company, which has gone for Automatic Technical Evaluation of bids by customizing the GePNIC application software. What we have done is that, the requirements of a tender have been parameterized and accordingly the information is obtained from the bidder in a structured objective format. The system facilitates the Auto Technical Evaluation and by this process the subjective decisions are eliminated. This has resulted in elimination of favoritisms, discrimination etc. which usually are the practice of any Tendering process. I am happy that to a great extent that we have done away with such practices and that is our biggest accomplishment by becoming a catalyst for bringing transparency.

**From your prominence, we could guess that your Organization has been greatly benefited with introduction of this project.**

**CMD-**Yes and we have experienced both immense Tangible and Intangible benefits. Our tendering cycle has been reduced from whopping 150 days to 70 days. The blocking period of huge sum of EMD of the bidders has been reduced along with the bid validity period. All other Tender related issues have been removed thus facilitating the bidders to quote realistic price. The increase in bidders base and convenience in tender participation has led to better competition and better price for us. These are few benefits to mention and the list is endless.

**What has amused you in this project?**

**CMD-**This project is of great importance to my company. The project focuses both on a unique process as well as the system. Ingrained with high technology with features of transparency of the process, non-discrimination of bidders, equality of access & participation, open competition, accountability, probity and security features the GePNIC application has been adopted by many State Govts and reputed PSUs. As I have been given to understand this system has been reviewed and accepted by International Agencies like Asian Development Bank (ADB). The system meets our requirements and there is constant improvement in the system that is why we have imposed deep faith on this software project.

**How have you partnered with NIC in this project?**

**CMD-**We are extremely happy that NIC is our partner in this project. The journey with NIC since December 2008 has been extremely cordial and reciprocal. Both in Domain and Technology NIC has proved its competence. The project planning, execution and maintenance has been done in a highly professional manner and I am sure it would create its own precedence in this area. This project has been able to attract more and more users.

**Do you know that the Project has been decided to be implemented as National Mission Mode project across the Country?**

**CMD-** I had no doubt that this project would go even much higher with more applauds. The project has been conceived keeping genericity in mind and its execution has been very systematic so far, which are key areas for success of the project. Its ease of use, the look

and feel attracts its user. I must share with you that the recent eWorld 2011 award for this project for MCL has boosted up the confidence of our Organization as a whole. This project had received eIndia 2010 award and CII award last year. I am proud of my team for successful implementation of this. The NIC model of e-Procurement is very easy and convenient for implementation by any organization.

**Any other thing you would like to share with us?**

**CMD-** I would like to thank Dr. B.K Gairola, Director General NIC, and Dr. Y.K Sharma, DDG along with Sh. A. Mohan, DDG for their vision of ICT implementation for this country and supporting MCL in its endeavor. I would like to appreciate the effort made by my Team Sh. O.P. Mishra, Sh. S.K Shrivastava and Sh. B.Patnaik with the guidance of Sh. S.K Bhanja to enhance the functionality and features of this unique project.

It is an opportunity and I would attribute successful GePNIC implementation at MCL to all the members who have contributed significantly in this project namely Sh. K.S Raghavan and Sh. M Manivannan, Sr. Technical Directors from NIC, Chennai, Sh. S.K Panda, SIO, Orissa, Sh. A.K. Hota, Sh. T.P Ray and Sh. Nihar Ranjan Biswal from NIC, Bhubaneswar.

I can foresee a lot of change to happen through this project and my sincere wish to all of them.

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**Interviewed by: Sh. A.K Hota,  
Technical Director, NIC,  
Bhubaneswar**