



Indo German Energy Programme

Annexure XXIX

Output 1.1

29. Stores Inventory and Procurement System

29.1 Procurement

To ensure in time processing of procurement computerised systems are available. The following rules apply to the procurement process.

- for projects in EU, an advance announcement of requirements wherever EU award criteria is applicable
- requisition note for deliveries/services from requesting party to Purchasing Department
 - It is important to have adequate lead time, list of proposed suppliers, delivery date and cost per unit as well as signature of approval of person responsible for costs (if not covered by budgets, clearance necessary by controlling and management board of business line)
 - Exceptions: urgent needs, office and store materials, hourly-wage payment as per master agreement
- call for bids according to EU sector guidelines
- reference offers / evaluation / coordination with ordering party
- contract-awarding negotiations for large-scale orders / engagement of services of plant engineering personnel
- ordering including specifications
- inspection at supplier's works when required
- entry of incoming goods details with the inventory list

29.2 Inventory Management at Evonik Power Plants

The store concept is a centered one. One central store for the Evonik power plant pool consisting within a radius of 50 km was established. Nevertheless small in-plant stores with plant-specific parts and commonly required consumables (minimum stock levels) are operated. A pooled transportation system ensures the urgent supply to power plants.

In addition to this, rate contracts exists fro items such as motors, roller bearings, oils/greases, etc. which are stocked at manufacturers premises and supplied on request at



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prefixed prices.

The material management system is internally developed software. It is based on categorising the items and includes standardising and labelling; Information on storage location and for which plant it was procured. The order procurement process is automatically triggered off when stock falls below a minimum level.