

Bangladesh Petroleum Corporation

Annual Performance Agreement (APA)

Between

The Chairman, Bangladesh Petroleum Corporation

And

**The General Manager, Standard Asiatic Oil Company
Limited**

2014-2015

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Preamble

The Annual Performance Agreement is made and entered into on 23/04/ 2015

BETWEEN

The General Manager, Standard Asiatic Oil Company Limited representing Standard Asiatic Oil Company Limited.

AND

The Chairman, Bangladesh Petroleum Corporation representing Bangladesh Petroleum Corporation.

The parties hereto agree as follows:

Section 1: Standard Asiatic Oil Company Limited's Vision, Mission, Functions and Strategic Objectives.

1.1 Vision

Ensuring uninterrupted supply of Lubricating Oil, Bitumen, LPG, HSD & HSFO throughout the country in Govt. price.

1.2 Mission

- On the behalf of Bangladesh Petroleum Corporation, Our Company imported Lube Base Oil, finished product of Lubricating Oil, Bitumen. Our Company marketing finished product, Bitumen, LP Gas, HSD, & HSFO. Bitumen, LPG, HSD & HSFO are respectively received from ERL, LPG & BPC.
- Developing LPG related infrastructures.
- Modernization of operational activities.

1.3 Functions

- To acquire, buy, sell, import, distribute of Lubricating Oil, Bitumen, LPG, HSD & HSFO and any other petroleum product.
- To import Lube Base Oil and manufacture of various grade of Lubricating Oil.
- To LPG filled Cylinder distribute our nominated dealer;
- To set up Oil Installation at Mongla in Bagerhat.
- To set up Oil Installation at in Narayangong.
- To establish and expand petroleum marketing facilities;
- To act as managing agents of, or to enter into any management or any other agreement or contract with, any firm or company.

1.4 Strategic Objectives

- Importing of Lube Base Oil, Finished Product of Lubricating Oil, Bitumen and Petroleum Products supply throughout the country in a reasonable price.
- Processing Lube Base Oil and Producing different grades of Lubricating Oil,
- Maintaining sufficient stock of petroleum Products in Steel Storage Tank to ensure energy security.

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target/Criteria Value				
						Excellent	Very Good	Fair	Poor	
						100%	90%	80%	70%	60%
(1) Import of Lube Base Oil, Finished Products and marketing Petroleum Products such as Bitumen, LPG, HSD, and HSFO.	40	[1.1] Import of finished Product Lubricating Oil	[1.1.1] Finished Products imported	Lakh MT	2	0.010	0.008	0.007	0.006	0.005
		[1.2] Import of Lube Base Oil	[1.2.1] Lube Base Oil Imported	Lakh MT	20	0.100	0.090	0.080	0.070	0.060
		[1.3]Marketing of Petroleum product	[1.2.3] Marketing of Petroleum product	Lakh MT	18	0.880	0.720	0.640	0.600	0.560
(2) Processing Lube Base Oil and Producing different grades of Lubricating Products stock to ensure energy security.	30	[2.1] Processing of Lube Base Oil	[2.1.1] Processed of Lube Base Oil.	Lakh MT	30	0.095	0.085	0.076	0.063	0.050

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target/Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
(3) Maintain sufficient stock & efficient distribution of Petroleum Products to ensure the energy security.	15	[3.1] Maintain Sufficient stock of petroleum products	[3.1.1] Lube Base Oil stocked	Day	5	90	81	73	60	30
			[3.1.2] HSD stocked	Day	3	60	55	48	42	30
			[3.1.3] HSFO stocked	Day	3	60	55	48	42	30
			[3.1.4] LPG stocked	Day	1	5	4	3	2	1
		[3.2] Distribution of petroleum product	[3.2.1] Retail Customer Distributed	Lakh MT	1	0.320	0.285	0.254	0.226	0.200
			[3.2.2] Direct Customer Distributed	Lakh MT	1	0.597	0.538	0.477	0.417	0.400

**Section 2:
Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)**

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target/Criteria Value				
						Excellent	Very Good	Good	Fair	
						100%	90%	80%	70%	
Mandatory Strategic Objectives										
*Improve Financial Management	3.00	Improve Compliance with the Terms of Reference of the Budget Management Committee (BMC)	Budget Implementation Plan (BIP) prepared and Quarterly Budget Implementation Report (QIMR) Submitted to BPC's meeting as required by BPC	Number of report	1.0	5	4	3	2	1
						4	3	2	1	
*Efficient Functioning of the Annual Performance Agreement(APA) System	2.00	Improve audit performance	Actual achievements against performance targets are monitored by the BMC on a quarterly basis	Number of BMC Meetings	1.0	4	3	2	1	--
						20	18	15	14	13
			Percentage of outstanding audit objections disposed off during the year	%	1.0					
			On-time submission:	Date	2.0	24/04/15	26/04/15	30/04/15	02/05/15	15/05/15

**Section 2:
Strategic Objectives, Activities, Performance Indicators and Targets (Continues...)**

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target/Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Mandatory Strategic Objectives										
*Improve Service delivery to the Public	6.00	Implementation of Citizens' Charter(CC)	Preparation and approval of CC by the BPC	Date	1.0	01/05/15	05/05/15	10/05/15	20/05/15	24/05/15
			Publication of CC in website or others means	Date	1.0	01/05/15	05/05/15	10/05/15	20/05/15	24/05/15
		Implementation of Grievance Redress System(GRS) System	Publishing names and contact details of GRS focal point in the website	Date	1.0	01/05/15	05/05/15	10/05/15	20/05/15	24/05/15
			Sending GRS report(s) to BPC from January 2015	Number of report(s)	1.0	5	4	3	2	1
		Implementing Innovations	Implemented decisions of the innovation team	%	1.0	100	80	50	30	--
			Unicode used in all official activities	Date	1.0	01/07/15	30/07/15	31/08/15	30/09/15	29/10/15
		*Improve governance	4.00	Compliance with RTI Act and proactive disclosure	Percentage of information, mentioned in the RTI Act and related regulations, disclosed in the website	%	2.0	80	70	60
Preparation and Implementation of the National Integrity Strategy Work Plan	Preparation of National Integrity Strategy Work Plan for 2015 and get approved by BPC				Date	2.0	30/06/15	30/07/15	31/08/15	30/09/15

Section 3:
Trend values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicator	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
(1) Import of Lube Base Oil, Finished Products and marketing Petroleum Products such as Bitumen, LPG, HSD and HSFO.	[1.1] Import of finished Product Lubricating Oil	[1.1.1] Finished Products imported	Lakh MT	0.00	0.008	0.090	0.010	0.010
	[1.2] Import of Lube Base Oil	[1.2.1] Lube Base Oil Imported	Lakh MT	0.00	0.035	0.112	0.123	0.135
	[1.3]Marketing of Petroleum product	[1.3.1] Marketing of Petroleum product	Lakh MT	0.204	0.827	0.917	0.988	1.086
(2) Processing Lube Base Oil and Producing different grades of Lubricating Products.	[2.1] Processing of Lube Base Oil.	[2.1.1] Lube Base oil processed	Lakh MT	0.053	0.043	0.057	0.063	0.069

Section 3:
Trend values of the Performance Indicators (Continue...)

Strategic Objectives	Activities	Performance Indicator	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
(3) Maintain sufficient stock & efficient distribution of Lube Base Oil & Petroleum Products to ensure the energy security.	[3.1] Maintain Sufficient stock of Lubricating Oil and petroleum products	[3.1.1] Lube Base Oil stocked	Lakh MT	0.012	0.033	0.037	0.040	0.043
		[3.1.2] Lubricating Finished Product Stocked	Lakh MT	0.00	0.008	0.090	0.010	0.010
		(3.1.3) HSD stocked	Lakh MT	0.073	0.26	0.29	0.32	0.39
		[3.1.4] HSFO stocked	Lakh MT	0.26	0.49	0.54	0.113	0.124
		[3.1.5] LPG stocked	Lakh MT	0.043	0.040	0.041	0.042	0.043
[3.2] Distribution of petroleum product	[3.2] Distribution of petroleum product	[3.2.1] Retail Customer Distributed	Lakh MT	0.169	0.311	0.320	0.352	0.387
		[3.2.2] Direct Customer Distributed	Lakh MT	0.035	0.516	0.597	0.656	0.721
		[3.2.3] Agency wise distributed	Lakh MT	0.00	0.00	0.00	0.300	0.310
[3.3] Enhance Storage capacity	[3.3.1] Capacity increased	[3.3.1] Capacity increased	Lakh MT	0.00	0.00	0.00	0.110	0.100

Section 4:

Description of the Performance Indicators, Implementing Department/Agencies and Measurement Methodology

SI No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
1	Petroleum Products are respectively procured from BPC, ERL, LPGL.	HSD, SHFO, Bitumen, LPG are procure from local sources, viz- BPC, ERL & LPGL.	SAOCL	Annual Report of SAOCL	
2	Lube Base Oil , Finished Products of Lubricating Oil & Bitumen are Imported	Lube Base Oil , Finished Products of Lubricating Oil & Bitumen are imported because domestic production is not sufficient to meet country's demand.	SAOCL	Annual Report of SAOCL	
3	Capacity Increased	Adequate supply of bottled LPG is very important to meet the regular demand. For uninterrupted supply of bottled gas storage capacity is required to be increased.	SAOCL	Annual Report of SAOCL	

Section 5:

Specific Performance Requirements from other Ministries/Divisions

Organization Type	Organization Name	Relevant Performance Indicator	What is your requirement from this organization	Justification for this requirement	Requirement from this Organization	What happens if your requirement is not met
Ministry of Power Energy & Mineral Resources	EMRD	Approval	Administrative and Financial Approval	Government Policy	Approval	Activities will be hampered
Finance Ministry	Finance Division	Approval	Financial Allocation	Government Policy	Approval	Activities will be hampered
Planning Ministry	Planning Commission	Approval	DPP/RDPP Approval	Government Policy	Approval	Projects can't be implemented
Railway Division	Bangladesh Railway	Transportation	Railway Transportation of POL Products	Ensure supply of POL Products to railhead depots	Ensure availability of Railway wagons	Transportation will be hampered
Shipping	BIWTA	Transportation	River Transportation	Ensure supply of POL products to Rivera in depots.	Ensure navigability of water ways	Importation & Transportation will be hampered

Section 6:

Outcomes of Standard Asiatic Oil Company Limited

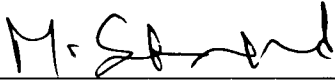
Outcome	Jointly responsible for influencing this outcome/ impact with the following organization(s)/division(s)/ ministry (ies)	Performance Indicator	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
Uninterrupted supply of POL Products throughout the Country ensured.	<ol style="list-style-type: none"> 1. Finance Division 2. Planning Commission 3. National Board of Revenue 4. Bangladesh Bank 5. EMRD 6. BPC 	Per capita POL consumption	Kg oil equivalent	32.88	35.03	32.68	31.34	29.88

Whereas,

I, the General Manager, Standard Asiatic Oil Company Limited representing Standard Asiatic Oil Company Limited commit to the Chairman, Bangladesh Petroleum Corporation representing Bangladesh Petroleum Corporation to deliver the results described in this agreement.

I, the Chairman, Bangladesh Petroleum Corporation on behalf of Bangladesh Petroleum Corporation commit to the General Manager, Standard Asiatic Oil Company Limited to provide necessary support for delivery of the results described in this agreement.

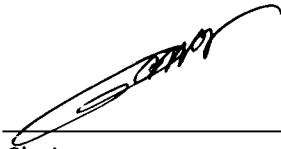
Signed,



General Manager
Standard Asiatic Oil Company Limited

23/04/2015

Date



Chairman
Bangladesh Petroleum Corporation

23.4.15

Date

Acronyms

Sl.	Acronyms	Description
1.	BIWTA	Bangladesh Inland Water Transport Authority
2.	BPC	Bangladesh Petroleum Corporation
3.	DPP	Development Project Proposal
4.	EMRD	Energy & Mineral Resources Division
5.	ERL	Eastern Refinery Limited
6.	kg oil equiv	Kilogram Oil Equivalent
7.	LPG	Liquefied Petroleum Gas
8.	LPGL	LP Gas Limited
9.	MT	Metric Ton
10.	Pcs	Pieces
11.	POL	Petroleum, Oil and Lubricants
12.	RDPP	Revised Development Project Proposal
13.	RPGCL	Rupantarita Prakritik Gas Company Limited
14.	RTI Act	The Right To Information Act, 2009 Bangladesh
15.	SAOCL	Standard Asiatic Oil Company Limited