

Selection of dealers/distributors and Marketing Plan

I. Selection of dealers/distributors

1. Guidelines of oil marketing companies (OMCs) for selection of dealers/distributors provide for evaluation of the candidates based on certain parameters and weightage attached thereto. Among them, weightage of 60% is given to the following parameters:

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| (i) | Capability of the candidate to provide land and infrastructure/facilities | ..35 marks (<i>out of total 100 marks</i>) |
| (ii) | Capability of the candidate to provide finance | ..25 marks (<i>out of total 100 marks</i>) |

2. In respect of candidates eligible for benefits/ financial assistance under Corpus Fund Scheme, land/infrastructure/ working capital loan are provided by the OMCs themselves, and, thus, the dealers/distributors are not required to make any investments for setting up the dealerships/ distributorships.

3. In view of above, candidates who are the beneficiary of the Corpus Fund Scheme, are not required to be evaluated under the two parameters mentioned above. However, it has been noted that while some OMCs do not evaluate such candidates under both these parameters, some OMCs though do not evaluate such candidates under 'Capability to provide land and infrastructure / facilities' but evaluate them under the parameter 'Capability to provide finance'.

4. For the sake of uniformity, OMCs concerned should amend their guidelines so that the candidates, eligible under the Corpus Fund Scheme, are not evaluated under both the above-mentioned parameters; which means that they should be evaluated for a total of 40 marks only under the remaining parameters.

5. To ensure transparency, selection of dealers/distributors should be through advertisement including that for 'fleet operator' category also. Exception can be made only in case of Government agency/PSUs.

II. Complaints against selection

1. It has been observed that in a number of cases, scrutiny of applications for selection of dealers/distributors and in some cases evaluation of land offered by prospective candidates by land evaluation committee as well as evaluation of candidates by the selection committee have not been done properly which have resulted into numerous complaints/ VIP references / litigations after issue of LOI.

2. While the OMCs must ensure that these exercises are carried out thoroughly by the officers concerned so that no inconsistencies are detected afterwards in such scrutiny/evaluations, OMCs should also consider stipulating a suitable timeframe for receipt of complaints and their disposal before issue of LOI. This timeframe may suitably be notified at the time of advertisement for selection of dealership/distributorship. This provision may also be hosted on the web-site of OMCs.

3. Further, disposal of complaints should be done by way of a speaking order by the appropriate authority in the OMCs, incorporating each point of the complaint, and after giving reasonable opportunity to all the parties concerned in a transparent manner as per the principle of natural justice. A copy of the speaking order (for disposal of complaint) may be given to all the parties concerned. Such transparent and fair disposal of complaint before issue of LOI will ensure that selections are not cancelled after issue of LOI.
