Annual Performance Agreement (APA)

Between

The Chairman, Bangladesh Petroleum Corporation

And

The Managing Director, Padma 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 Chairman, Bangladesh Petroleum Corporation, representing Bangladesh Petroleum Corporation.

AND

The Managing Director, Padma Oil Company Limited representing Padma Oil Company Limited.

The parties hereto agree as follows:

Section 1: Vision, Mission, Functions and Strategic Objectives of Padma Oil Company Limited.

1.1 Vision

- Ensuring uninterrupted supply of Petroleum Products throughout the country in a price fixed by the Government.
- Distribution of Eco-friendly Agro-chemicals products throughout the country for better agricultural production

1.2 Mission

- Ensuring energy security for the country through procurement of Petroleum Products from BPC as well as distribution of Petroleum Products.
- Developing Petroleum related infrastructures.
- Marketing of Agro-Chemical products through established network.

1.3 Functions

- To acquire refined petroleum products from ERL & Gas fields;
- To distribute Petroleum Products throughout the country;
- To plan and install petroleum storage facilities;
- To establish and expand petroleum marketing facilities;
- To Supply Jet A-1 in different Airports as Aviation fuel;
- To supply petroleum products to BD Army, Navy, BAF and other Govt. Agencies through Rate Running Contract;
- To supply petroleum products to different Power Supply Stations;
- To acquire, storage and supply of Agrochemicals products;
- To supervise, co-ordinate and control the Agent, Dealer of the company for smooth distribution of Petroleum and Agrochemicals products.

1.4 Strategic Objectives

- Procurement of petroleum refine products from BPC.
- Locally blending and Import of finished lubricants as per customers demand.
- Marketing of petroleum products throughout the country.
- Maintain reasonable stock and efficient transportation of products.
- Efficient distribution of petroleum products to ensure the energy security.
- Import, formulate, repack & marketing of Agro-chemical products.

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	Good	Fair	Poor
						100%	90%	80%	70%	60%
(1) Procurement of refine petroleum products from BPC.	30	[1.1 Procurement of finished petroleum products imported by BPC	[1.1.1] Imported Finished Products procured	Lakh MT	15	15	13	12	11	10
		[1.2] Procurement of petroleum products from ERL	[1.2.1] finished products procured from ERL	Lakh MT	10	5	4	3.5	3	2.5
		[1.3] Procurement of Petroleum products from local sources.	[1.3.1] Finished Products procured	Lakh MT	5	1.5	1.25	1	0.75	0.5
(2) Marketing of petroleum products throughout the country.	40	[2.1] Sales and distribution of petroleum products through different trade.	[2.1.1] Retail	Lakh MT	10	8	7.75	7.5	7.25	7
			[2.1.2] Direct customer	Lakh MT	5	5	4.75	4.5	4	3.5
			[2.1.3] Agency/Distributor	Lakh MT	5	3.75	3.5	3.25	3	3
		[2.2]Category wise marketing of POL.	[2.2.1] Fuel Oils	Lakh MT	13	17	15	14	13	12
			[2.2.2] Lubricants	MT	5	5000	4000	3750	3500	3250
			[2.2.3] LPG	MT	1	5000	4500	4000	3750	3500
			[2.2.4] Bitumen	MT	1	20000	18000	17000	16000	15000

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] HSD storage capacity	Day	3	40	35	33	30	28
			[3.1.2] SKO storage capacity	Day	1	25	22	20	18	15
			[3.1.3] Jet A-1 storage capacity	Day	1.5	30	25	22	20	18
			[3.1.4] HSFO storage capacity	Day	2	25	22	20	18	15
			[3.1.5] HOBC storage capacity	Day	.5	40	35	33	30	28
			[3.1.6] MS storage capacity	Day	.5	45	40	35	33	30
			[3.1.7] SKO storage capacity	Day	1	30	25	22	20	18
			[3.1.8] JBO storage capacity	Day	.25	45	40	35	33	30
			[3.1.9] LPG storage capacity	Day	.25	-	-	-	-	-
		[3.2] Transportation of Petroleum Products	[3.2.1] Product transported through river ways	LMT	3	26	25	24	22	20
			[3.2.2] Product transported through railways	LMT	1	15	14	13	12	10
			[3.2.3] Product transported by road	LMT	.75	14	13	12	11	9
		[3.3] Enhance Storage Capacity	[3.2.4] Maintain reasonable stock and enhance storage capacity	LMT	.25	0.50	0.45	0.40	0.35	0.30

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 Financial Management	3.00	Improve Compliance with the Terms of Reference of SEC, DSE,CSE, Registrar of Joint Stock Companies & BPC	Preparation of Budget Implementation Plan (BIP) and publication of Quarterly Budget Implementation Report (QIMR)	Number of report	1.0	5	4	3	2	1
			Preparation of quarterly and Annual report as per guideline of DSE/CSE	Number of BMC Meetings	1.0	4	3	2	1	--
		Improve audit performance	Percentage of outstanding audit objections disposed off during the year	%	1.0	20	18	15	14	13
Efficient Functioning of the Annual Performance Agreement(APA) System	2.00	Timely submission of Draft APA for 2014-2015	On-time submission	Date	2.0	20/04/2015	25/04/2015	30/04/2015	05/05/2015	10/05/2015

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) Procure refined products from BPC.	[1.1] Procurement of finished petroleum products imported by BPC	[1.1.1] Imported finished products from ERL	Lakh MT	12.92	11.77	12.50	12.00	12.50
	[1.2] Procurement of petroleum products from ERL	[1.1.2] Finished Products from ERL	Lakh MT	36.40	41.74	43.85	44.00	44.00
	[1.3] Procurement of petroleum products from local sources.	[1.1.3] Finished Products procured from local sources	Lakh MT	2.35	2.20	2.50	2.50	2.50
(2) Marketing of petroleum products throughout the country.	[2.1] Sales of Petroleum products		Lakh MT	13.61	12.05	13.00	12.50	13.00
	[2.2] Market participation of the company							

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 Petroleum Products to ensure the energy security.	[3.1] Maintain sufficient stock	[3.1.1] HSD stock	Lakh MT	3.257	2.563	3.20	3.80	4.50
		[3.1.2] Jet A-1 stock	Lakh MT	0.497	0.227	0.48	0.50	0.50
		[3.1.3] HOBC stock	Lakh MT	0.083	0.086	0.10	0.18	0.20
		[3.1.4] MS stock	Lakh MT	0.123	0.115	0.15	0.18	0.20
		[3.1.5] SKO stock	Lakh MT	0.339	0.240	0.35	0.40	0.40
		[3.1.6] HSFO stock	Lakh MT	0.537	0.690	0.70	0.70	0.70
		[3.1.7] Crude Oil stock	Lakh MT	1.294	1.302	1.30	1.30	1.30
		[3.1.8] LPG stock	Lakh MT	0.0011	0.0012	0.0012	0.0012	0.0012
	[3.2] Distribution of Petroleum Products	[3.2.1] Direct Customer Distributed to	Lakh MT	14.50	16.95	17.50	17.50	17.50
		[3.2.2] Retail Customer Distributed to	Lakh MT	22.88	24.58	25.00	25.50	26.00
		[3.2.3] Agency & LPG	Lakh MT	13.46	13.31	14.50	15.50	16.50
	[3.3] Enhance Storage Capacity	[3.3.1] Capacity increased	Lakh MT	0.53	1.12	0.50	1.20	1.00

Section 4:

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

Sl No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
1	Finished Petroleum Product Imported	Finished Petroleum Products are imported because domestic production is not sufficient to meet country's demand.	POCL	Annual Report of POCL	
2	Crude Oil Imported	Crude oil is imported due to no local source.	POCL	Annual Report of POCL	
3	Capacity Increased	Adequate Supply of liquid fuel is very important to meet the regular demand. For uninterrupted supply of oil, storage capacity is required to be increased.	POCL	Annual Report of POCL	

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 Approval	Government Policy	Approval	Activities will be hampered
Corporation	BPC	Approval	Administrative & Financial Allocation	Government Policy	Approval	Activities will be hampered
Planning Ministry	Planning Commission	Approval	DPP Approval	Government Policy	Approval	Projects will not 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
Ministry of Shipping	BIWTA CPA MPA	Transportation	River Transportation	Ensure supply of POL products to Riverine depots	Ensure navigability of water ways	Transportation will be hampered

Section 6:

Outcomes of Bangladesh Petroleum Corporation

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.	1. EMRD 2. BPC 3. Planning Commission 4. National Board of Revenue 5. SEC 6. Petrobangla 7. CPA 8. BR 9. BIWTA 10. Other subsidiaries of BPC	Per capita POL consumption	Kg oil equivalent	32.88	35.03	32.68	31.34	29.88

Whereas,

Whereas,

I, the Managing Director, Padma Oil Company Limited representing Padma 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 Managing Director, Padma Oil Company Limited to provide necessary support for delivery of the results described in this agreement.

Signed,

Chairman
Bangladesh Petroleum Corporation

23.04.2015
Date

Managing Director
Padma Oil Company Limited

23.04.2015
Date

Acronyms

Sl.	Acronyms	Description
1.	BPC	Bangladesh Petroleum Corporation
2.	EMRD	Energy & Mineral Resources Division
3.	kg oil equiv	Kilogram Oil Equivalent
4.	LMT	Lakh Metric Ton
5.	HSD	High Speed Diesel
6.	HOBC	High Octane Blending Component
7.	MS	Motor Spirit (Petrol)
8.	SKO	Super Kerosene Oil
9.	HSFO	High Sulpher Furnace Oil
10.	LPG	Liquefied Petroleum Gas
11.	POL	Petroleum Oil Lubricants