

COSCO SHIPPING Group SRM Project (Phase I) Brochure



2019.08

Catalogue

- 1 Project Overview**
- 2 Project Function Introduction**
- 3 Project Function Features**

Project overview

China COSCO Shipping Group's Procurement and Supplier Management System (SRM, external promotion name as "Ocean Service Center") Phase I was officially launched in October 2018 and came online on July 1, 2019.

Ocean Service Center Portal: <http://gs.coscoshipping.com>。

SRM Procurement Platform : <https://esourcing.coscoshipping.com/nwbc>。

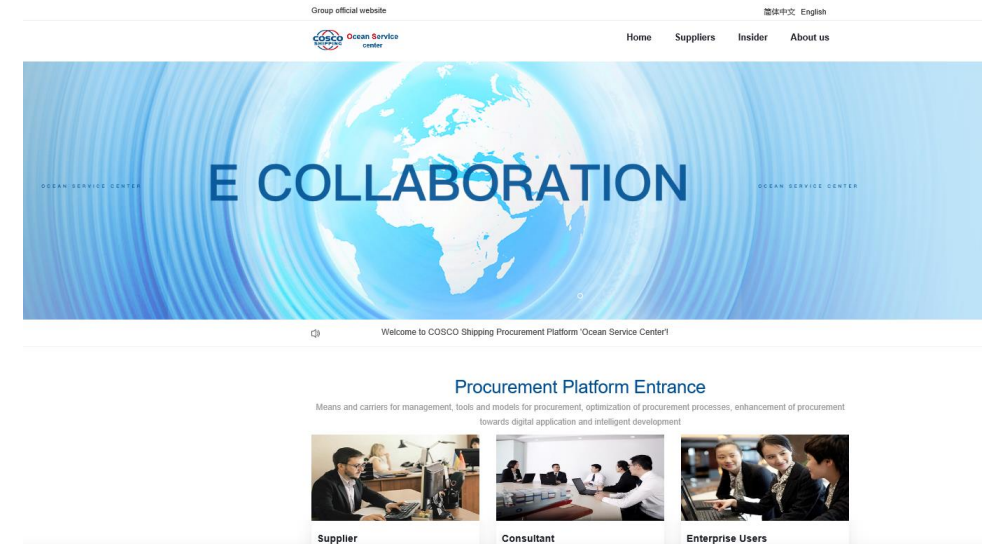
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 - 3 Project Function Features**
-

Function review - Portal

The main functions of the portal include :

- 1) **Public Announcement** : Enterprise users will log in to the portal back-end management system, edit and publish forecast for non-bidding procurement demand, announcement for non-bidding winning results, bidding projects, bidding announcements, successful bid winners, and winning candidate announcements. Relevant bidding announcements are connected with the national bidding and tendering announcement service platform to enhance the standardization of bidding for enterprises.
- 2) **Business partner** : Demonstrate the management specifications and guidelines for cooperation between COSCO Shipping Group and suppliers; provide the process description and operation guidance of the e-procurement platform on supplier end; facilitate suppliers to understand the group' s supplier management philosophy.
- 3) **Internal users** : Internal users log in to the portal back-end management system to publish information for enterprise staff. The information is inclusive of policies and regulations, notice announcements, best practices, and collection dynamics.
- 4) **About us** : Introduces the functions of the ocean service center platform, and discloses procurement-related information publicly in real time to help partners and enterprise users to understand the group and subordinate units, understanding the platform and implementing procurement work.
- 5) **Entrance into procurement platform** : Suppliers, procurement experts, and internal users can log in to the SRM system through the portal's procurement platform entry.

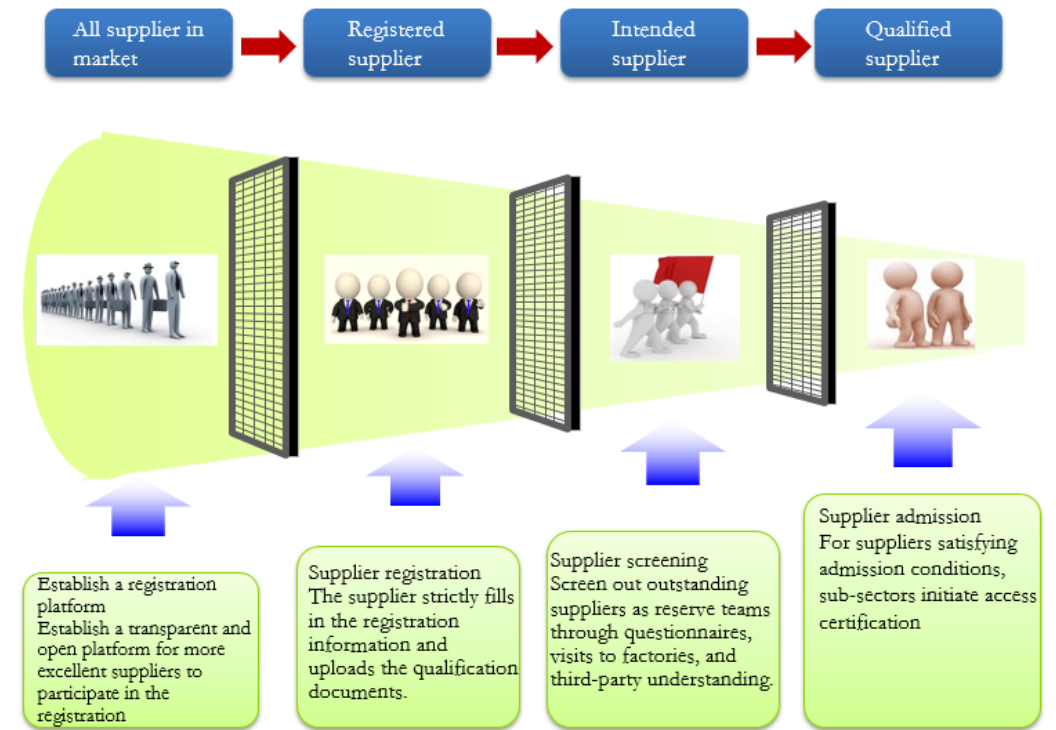


Design effect of portal homepage

System function details - Supplier management

The main functions of supplier management include :

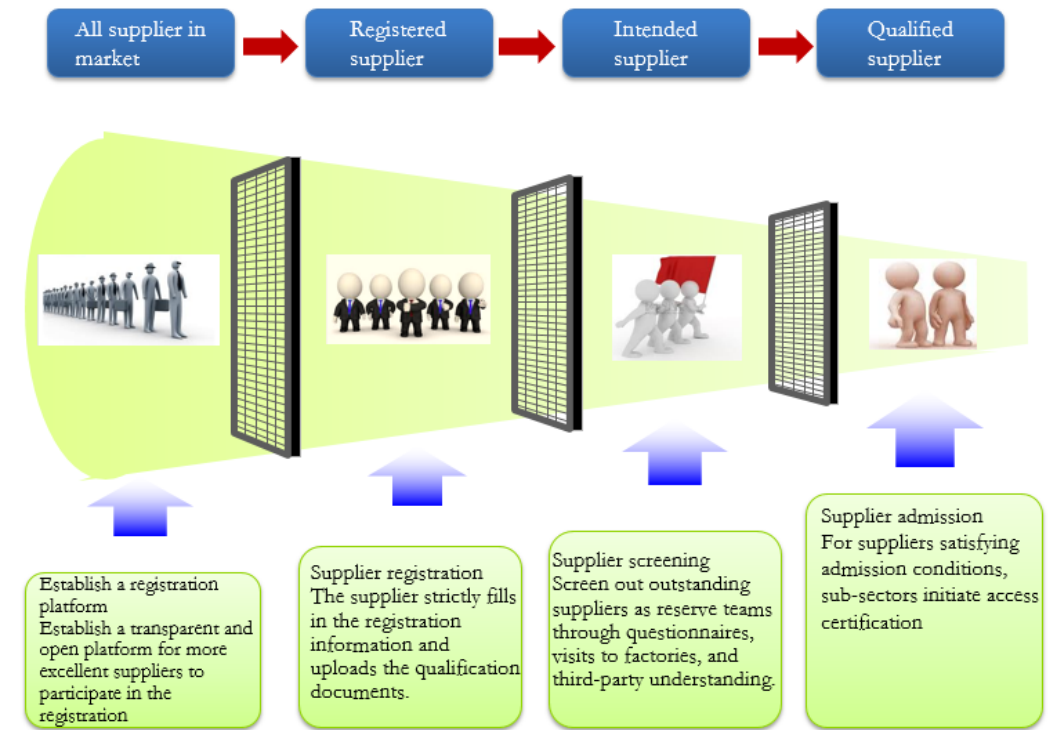
- 1) **Supplier registration** : The supplier can log in the SRM system to fill in the supplier information independently, including basic information, supply scope, qualification documents, etc. Reference information can be obtained through the interface with the sky-inspection platform during registration.
- 2) **Transformation from registered to intended** : Due to the need of supplier management, registered supplier can be marked as intended if satisfying the requirements of intended supplier. With the development of business, if more suppliers are needed for qualified suppliers, the intended suppliers can be selected as target candidates.
- 3) **Supplier admission** : In SRM system, the admission of suppliers is based on the dual dimension of “supplier + procurement category” .Function of online approval is also available. The procurement personnel can initiate the approval process and create reviewer extraction plans. The reviewers can either be extracted online or designated. The admission application will be approved online on the basis of review result.
- 4) **Supplier Change** : Suppliers can log in to the SRM system to modify and update basic information and qualification documents.



System function details - Supplier management(cont.)

The main functions of supplier management include:

- 5) **Supplier deletion** : The SRM system's supplier deletion is divided into four ways: quality dimension, business dimension, freeze, and termination of cooperation. In the actual service, the corresponding deletion mode can be selected according to different business scenarios.
- 6) **Supplier recovery** : For suppliers deleted in business dimension or frozen, the application for recovery can be initiated online according to the actual business needs. Suppliers can be re-established as qualified suppliers after approval from relevant personnel without re-initiating the admission process.
- 7) **Supplier early warning** : For special affiliated enterprise, sanctioned suppliers, and suppliers in watch list, information maintenance can be carried out in the SRM system, and alerts will be provided in the business aspects such as supplier admission.
- 8) **Supplier evaluation** : The SRM system's evaluation of suppliers includes regular and irregular evaluations. Using the steps or forms of business data analysis, questionnaire survey, qualification review, etc., the supplier evaluation team scores the suppliers to form an evaluation of the suppliers.



System function details - Expert management

The main functions of expert management include:

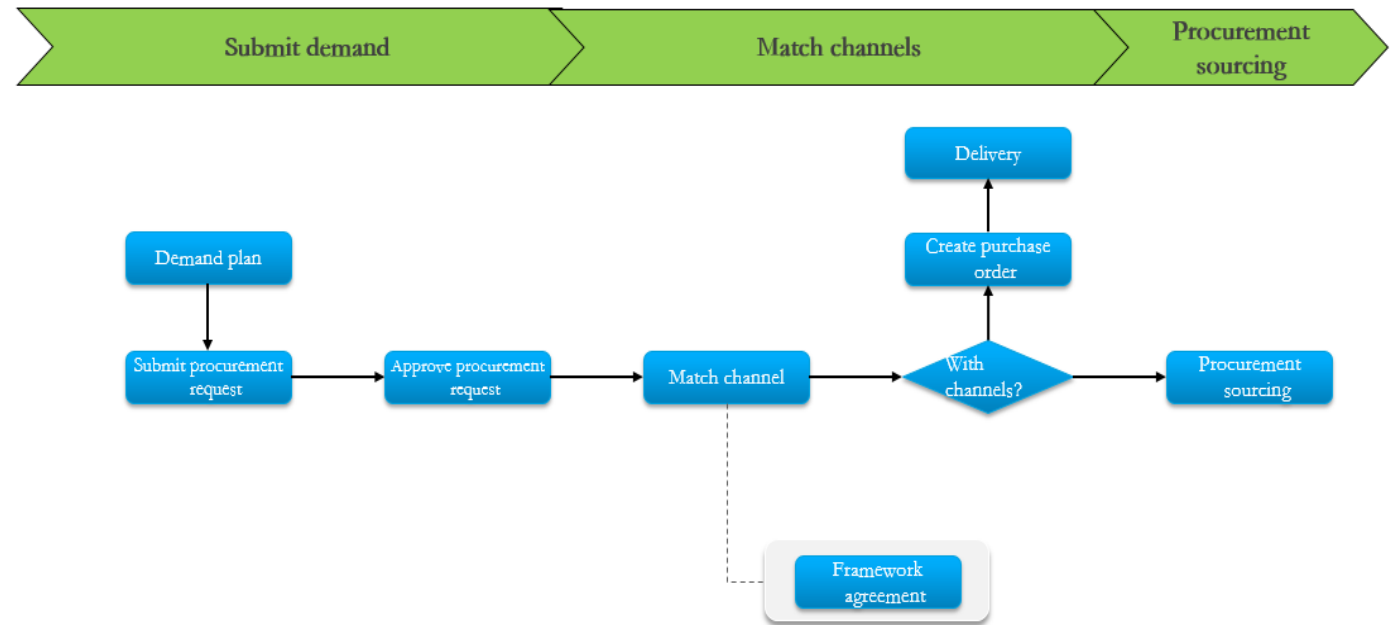
- 1) The creation and change of expert database :**
Support experts to be registered, modified and deleted to form a shared and transparent expert resources pool, and realize the structured management and use of experts by labels like expert categories, profession classification, and expert nature, etc.
- 2) Expert selection management :** Support expert selection management under different scenarios(including procurement scheme and supplier admission). Experts can be selected online based on expert extraction schemes. The selection criteria includes expert's professional classification, whether internal experts, work units, professional expertise, work experience, and whether group experts. Adding designated experts is also supporter.



System function details - Purchase plan management

The main functions of purchase plan management include:

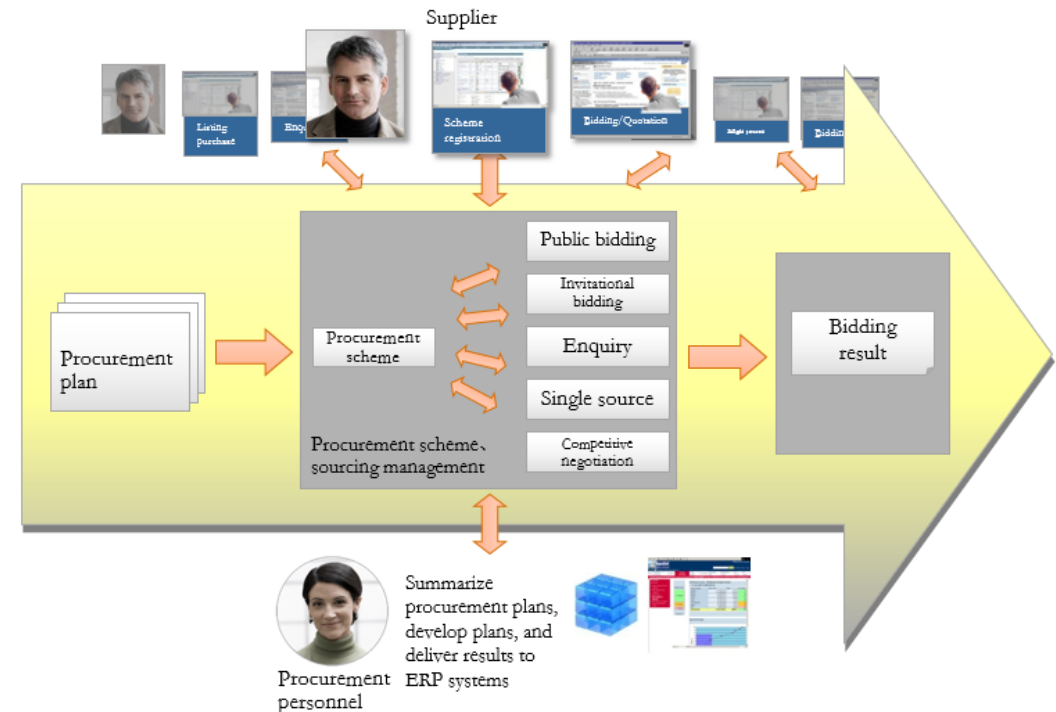
- 1) Purchase plan creation** : The demand department submits the procurement plan in the SRM system. Different page contents will be displayed according to different categories like fuel oil, lubricating oil, spare part, etc. Procurement plan approval can also be initiated in the system
- 2) Purchase plan change** : The demand department uses this function to make changes to the plan that has been released but has not yet executed, and can trigger the change approval through the system.
- 3) Purchase plan approval** : After the procurement plan triggers the approval, the approver can view the plans awaiting approval in the system's inbox and review it.



System function details - Procurement transaction management

The main functions of procurement transaction management include:

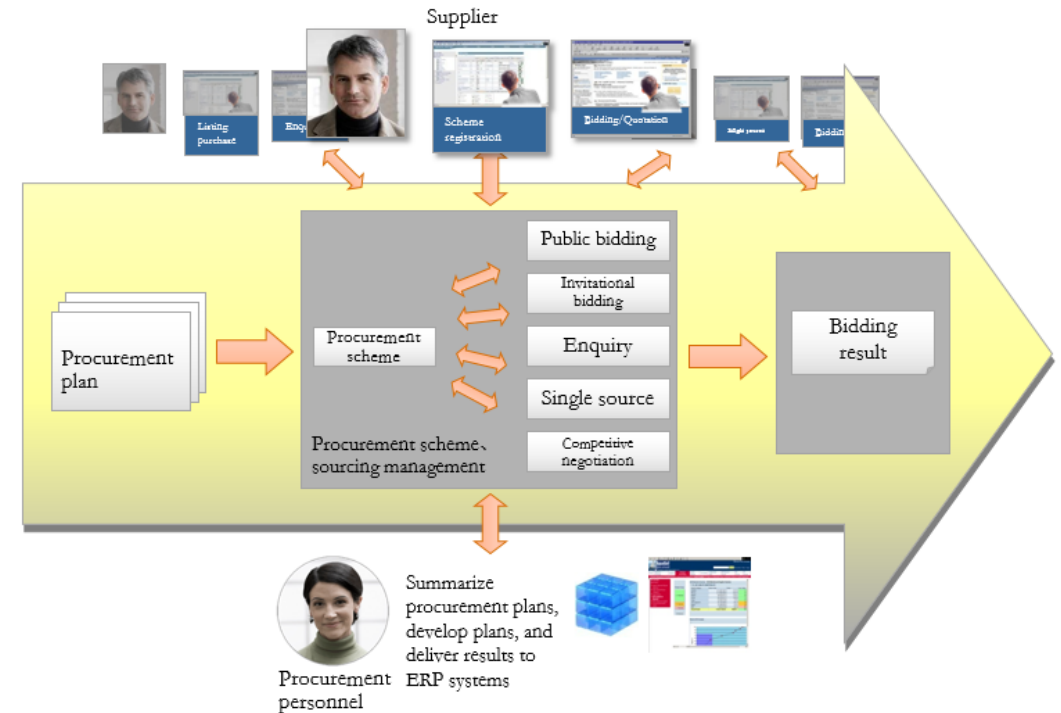
- 1) **Procurement plan summary** : The SRM system supports the procurement plan; the procurement department can create follow-up documents for the aggregated plan, such as purchase plans, orders, framework agreements, etc. .
- 2) **Procurement transaction management** : Procurement transaction management includes related functions such as creation, change, and approval of procurement transactions and provides support for multiple procurement methods. The process transferring will be automatically made according to different procurement methods.
- 3) **Online application management** : For the public bidding type procurement plan, the supplier will apply in the system and upload the documents required for the qualification review before the quotation.
- 4) **Supplier qualification management** : For the public bidding type procurement plan, the supplier must be approved by the purchase personnel after application, and the qualification review result determines whether the supplier can participate in the relevant procurement business;
- 5) **Online bidding management** : The supplier submits the quotation in the SRM system, and can adjust or cancel the bidding information at any time before the bid deadline.



System function details - Procurement transaction management(cont.)

The main functions of procurement transaction management include :

- 6) **Expert selection plan making and selection** : Under the double-standard procurement form, the procurement personnel will create expert extraction plans in the system, and randomly select the experts who participate in the evaluation according to the extraction plan.
- 7) **Bid opening and evaluation management** : After the bid opening time is reached, the purchase personnel can open the bid in the SRM system; after the bid opening, the supplier's quotation information and the related attachment information uploaded can be viewed.
- 8) **Expert online bid-evaluation management** : Under the double-purchase procurement form, the price points are automatically calculated according to the established rules after the bid opening , and the non-price points are scored by the experts online based on the review items. The system automatically calculates the average score and the comprehensive score based on the expert score.
- 9) **Purchase order management** : Supports a variety of order creation methods, including direct creation of purchase orders based on winning/selection results, procurement contracts/framework agreements, and manual; full-scale purchase order management covering fuel oil, lubricating oil, spare parts, and other supplies, including the creation, modification , approval and entry into force of purchase order .



System function details - Contract management

The main functions of procurement transaction management include:

- 1) **Contract form management** : The electronic contract form can be created according to business type , and structured managed according to information like header , line item, supplier, purchaser, goods or services, quantity, amount, etc.
- 2) **Contract sample management** : Contract sample files for insensitive information like related categories and companies can be uploaded.
- 3) **Contract editing management** : The platform can base on the procurement category to recommend to relevant electronic contract form the contract template or sample and record both party's negotiation on contract text to form a context contract already confirmed and to be signed.
- 4) **Contract document management** : A signed text contract scan file can be uploaded on the platform.

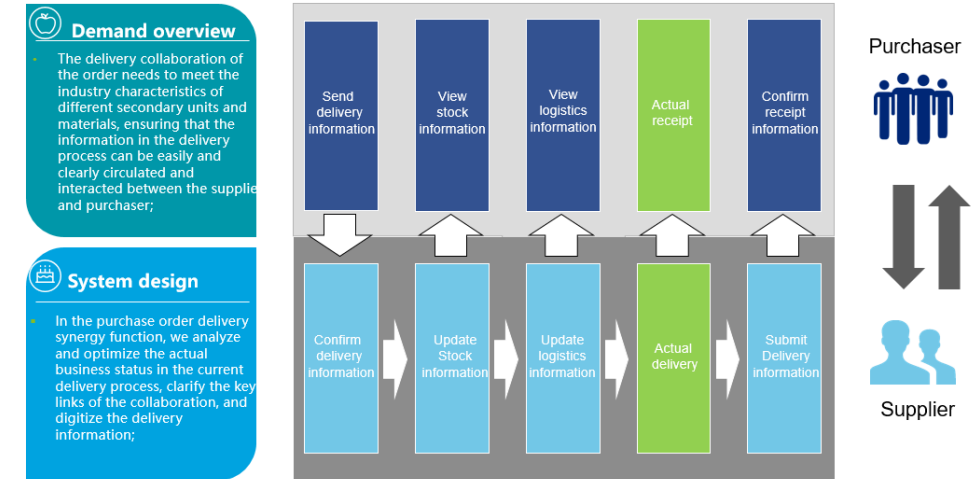


System function details - Purchase execution collaboration

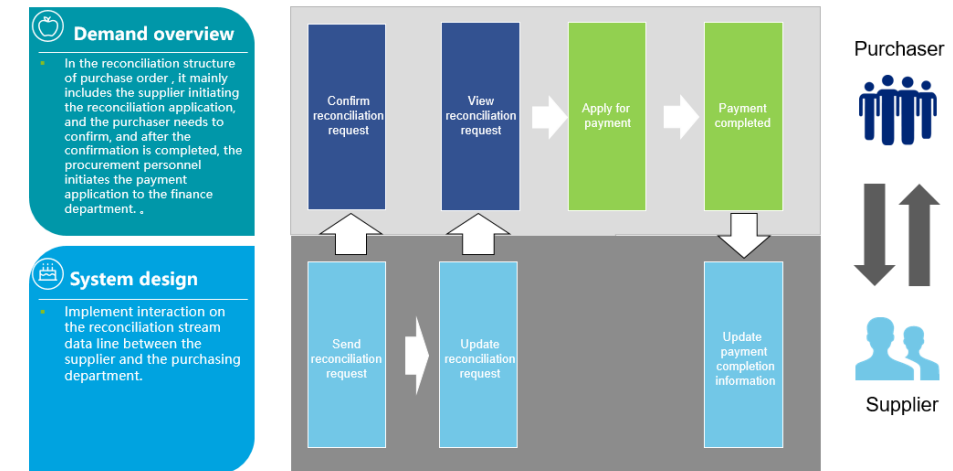
The main functions of Purchase execution collaboration include :

- 1) **Order confirmation management** : Support purchasers and suppliers to view and confirm purchase orders online, and support suppliers to fill out feedback online. At the same time, an email reminder function is also provided to prompt the transaction parties to complete the purchase order confirmation process.
- 2) **Delivery collaboration management**: Support the information collaboration of stocks, logistics, vehicle , barge and others in the delivery process; after the delivery is completed, the supplier enters the actual delivery quantity online and the purchaser confirms it. The system also provides an email reminder function to prompt the two parties to complete the delivery process of the purchase order.
- 3) **Reconciliation collaboration management** : Support suppliers to initiate reconciliation applications online, and support multiple reconciliations for one purchase order. The purchaser can review the reconciliation information and invoice information submitted by the supplier online. Through the above functions, a complete closed-loop management of supplier initiating reconciliation to supplier receiving payment is realized.

Supplier collaboration-order delivery collaboration



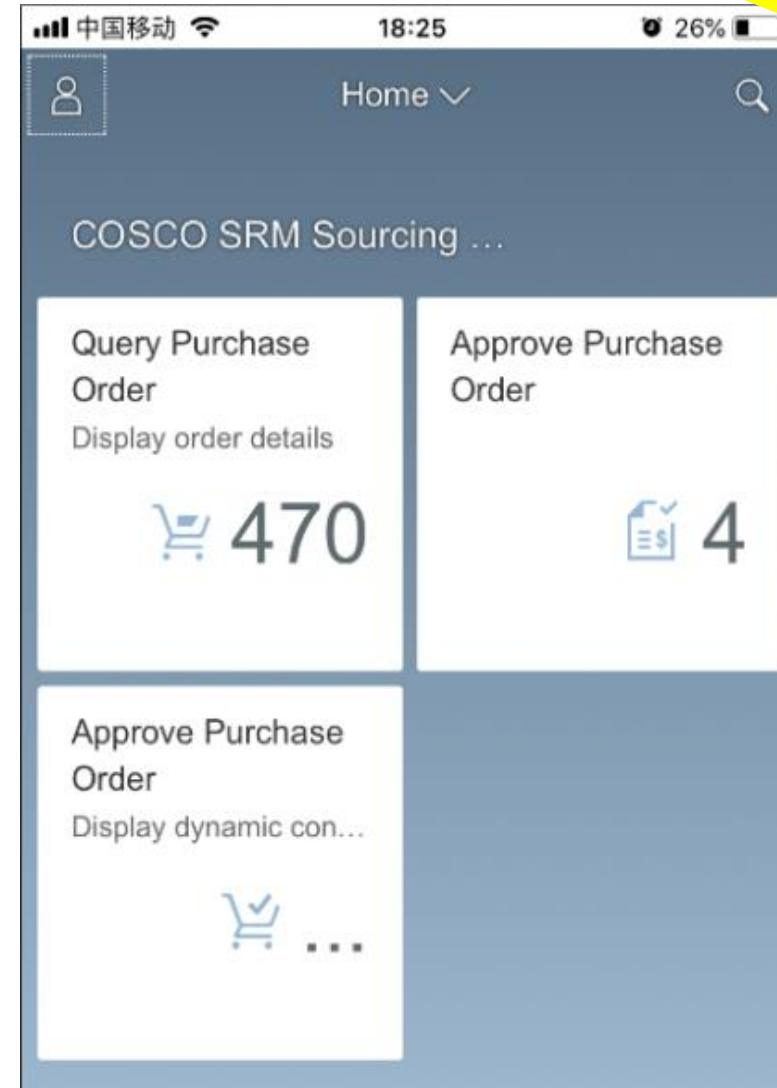
Supplier collaboration-order reconciliation collaboration



System function details - Report and mobile app

The main functions of report and mobile app management include:

- 1) **Supplier analysis report** : Analyze supplier's information like the basic information , procurement information, procurement execution analysis, etc.; analyze and compare suppliers under the same category.
- 2) **Procurement analysis report** : Collect and analyze the price trends and cycles of material purchases of different units and different categories.
- 3) **Procurement performance analysis report** : Display the procurement personnel's supplier introduction and the procurement transaction execution to form a performance report of the procurement personnel.
- 4) **Mobile app (Fiori)** : Mobile applications that provide related functions, including: purchase plan creation, purchase plan approval, purchase order approval, and procurement selection result approval.



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System Function Feature

Supplier management :

- 1) Supplier data : The data management process of the third-party suppliers is unified, and the data standards are clarified.
- 2) Supplier registration : When registering, relevant supplier information can be obtained for reference through the interface with Sky-inspection platform, and comparator will be made to reduce manual input workload and improve information accuracy.



| Supplier No. | Supplier Name | Enterprise Type | Province | City |
|--------------|------------------|-----------------|----------|------|
| 1000002616 | 中国外运华北有限公司集装箱分公司 | Enterprise | TIANJIN | 天津 |

| Supplier Information | TIANYANCHA information |
|-----------------------|------------------------|
| Supplier Name | 中国外运华北有限公司集装箱分公司 |
| Unified Social Cre... | 91120116725715193N |
| Legal Person | 牟小杰 |
| Registration Date | 20021204 |
| Registration Address | 天津市滨海新区塘沽新港路86号 |

- 3) Supplier online evaluation : The supplier's regular or irregular online evaluation function is implemented, for which the final score is formed on the basis of the supplier's delivery, quality, and compliance .
- 4) Supplier category management : In the supplier admission process, the procurement category management is added and linked to the purchase transaction , which facilitates the user to select the supplier in the business and issue management reports according to different dimensions.

System Function Feature

Procurement plan management :

- 1) Plan submission: the shipping company creates a procurement demand plan in the system to separates demand from procurement in the perspective of procurement business management, and regulates the procurement process.

Create Shopping Cart: 2000005210

Release | Print Preview | Close | Save | Check | Export | System Information | Create Memory Snapshot

Line 1: No source of supply found for item

Number: 2000005210 | Name: T-SRM-PANGGZ 2019.08.15 15:29 | Status: In Process | Created On: 2019.08.15 15:29:53 | Created By: T-SRM-PANGGZ

General Data

Name of shopping cart: T-SRM-PANGGZ 2019.08.15 15:29
Default Settings: Set Values
Approval Process: Display / Edit Agents
Budget: Display
Document Changes: Display
* Purchase Category: Fuel Oil
Designated Purchasing Company: 中远海运物流有
Cost Center: 1065 中远海运科技 (北京) 有限公司
Department: 采购部
Purchase Request Number: 10000001
Applicant Employee ID: 23123
Applicant Name: TOM
Contact Number: 13812632364

Ship Info
Vessel Code: 7941411
Vessel Name: 玛丽 IMARIA T L

Port Info
Last Port of Berth: 03201
This port of Berth: 03203
Next Port of Berth: 03204

Refueling Info
Bunker Purchase Type: Bonded Bunkers Purchase (For ocean-going vessel)
Purchase Method: Term Contract Vessel Nomination
Pricing Method: Whole Month Av
Estimated Date of Delivery: 2019.08.13
Ship Expected Arrival Time: 2019.08.15
Ship Expected Departure Time: 2019.08.17

Address Info
Continent: Piraeus
Shipping Address: 远海大厦 In the p

Overview

| Line Number | Product ID | Description | Product Category | Product Category Description | Quantity | Unit | Currency |
|-------------|------------|-------------|------------------|------------------------------|----------|------|----------|
| 1 | | 测试物料数据 | A0000 | 空气系统 | | 1 EA | USD |
| | | | W00002 | | 1.000 | | CNY |
| | | | W00002 | | 1.000 | | CNY |
| | | | W00002 | | 1.000 | | CNY |

- 2) external system interface : The purchase plan has an interface for the external system to allow it send purchase plans to fasten the data flow between systems.

System Function Feature

Procurement transaction management :

- 1) Transaction template : Templates are developed according to different procurement methods, and different processes are formed according to different templates.
- 2) Online review and scoring : It has developed varied calculation logics of business score for the legal bidding business, which can flexibly set the scoring calculation rules and realize the online expert extraction and scoring.

Display RFx: 600002503

Address data has changed - Display Help

Number 600002503 Name T-SRM-PANGGZ 2019.07.08 13:00 Type Public Bidding Status Awaiting Approval Created On 2019.07.08 13:25:42 Created By 庞 T-SRM-PANGGZ Number of Bidders 83

Header Bidders Items Notes and Attachments Approval Tracking **Score Rule**

Price Sco. Pct.: 0.00 % NonPrice Sco. Pct.: 100.00 %

Price Non-Price

Sco. Rule Type: Advanced Score Rule

Business Bid

Calculate Typ.: Average Price

Exclude highest and lowest prices:

Base Pct.: 100.00 %

Base Sco.: 90.00

AddRow RemoveRow

| Select | Price Calculation Rule | Initial Floating Rate(%) | Scope(%) | Per Augment/Decrease (%) | Process Mode | Score | Highest/Lowest Score Limited |
|--------------------------|-----------------------------------|--------------------------|----------|--------------------------|---------------|-------|------------------------------|
| <input type="checkbox"/> | Calculate rule of increased price | | 5.00 | 20.00 | 1.00 Decrease | 3.00 | 30.00 |
| <input type="checkbox"/> | Calculate rule of decreased price | | 5.00 | 20.00 | 1.00 Increase | 3.00 | 99.00 |

sample

System Function Feature

Contract management :

- 1) Text contract management : Online contract text management facilitates the inquiry, review and sharing of contracts.
- 2) Lubricating oil electronic contract management : In the system, the lubricating oil's million-level electronic contract (including the framework agreement and the single-ship agreement) is managed to form the lubricating oil price database. By using the lubricating oil electronic contract, purchase personnel can directly quote the price to form the order without having repeated quotation operation, improving operational efficiency and experience.

Assign Sources of Supply: Step 2 (Assign Source of Supply(No items))

1 Select Requisition | 2 Assign Source of Supply(No items) | 3 Review Drafts(No items) | 4 Summary Screen(No Documents)

Select All | Expand All

Requisition / Item Num
2000004862/1

Proposed Sources for Selected Items

Select Cheapest Offers | Deselect All | Group Table by: Item | Display mode: Display All Eligible Items

| Requirement: Product > Supplier Name (Supplier Number) | Source of Supply | Central Contract | Quantity | Unit | Price | Currency | Price Unit |
|--|------------------|------------------|----------|------|----------|----------|------------|
| 2000004862/1:DMZ燃料油 | | | 0.000 | | 0.00 | | |
| <input type="checkbox"/> 杰瑞能源服务有限公司 (509) | | 4400000481/1 | 1.000 | TO | 1,000.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000208/1 | 1.000 | TO | 200.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000238/1 | 1.000 | TO | 1,000.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000521/7 | 1.000 | TO | 10.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000553/7 | 1.000 | TO | 10.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000619/4 | 1.000 | TO | 10.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000664/4 | 1.000 | TO | 78.00 | CNY | 1 |
| <input type="checkbox"/> 中国大地财产保险股份有限公司上海分公司 (226) | | 4400000666/4 | 1.000 | TO | 78.00 | CNY | 1 |



Display Purchase Order: 8000001678

Number 8000001678 Name Local Purchase Order1 T-SRM-JIACH 2019.0 Type Purchase Order Status Awaiting Approval Created On 2019.08.15 Total Value (Gross) 10.00 EUR Supplier 测试试用

Header Items Notes and Attachments Approval Tracking Confirm/Deny history Overview

General Data Related Documents

Order as Direct Material

Basic

Identification
Item Number: 1
Product ID: F0402005
Description: DMZ燃料油
Contract / Item: 4400000662 | 1 | Show Contract

Complete Item on Saving: No

Organization
Cost Center: SG63
Department:
Clearing Corporation:

Fuel Purchase Code
Purchase Category: Fuel Oil
Bunker Purchase Type:
Purchase Method:
Pricing Method:

Currency, Values and Pricing
Quantity / Unit: 1.000 TO
Gross Price / Per: 10.00 EUR 1 TO
Settlement Price: 78.00 EUR
Net Value: 10.00 EUR
Tax Code / Amount: JN_JN

Surcharges and related clauses
Barge Charge: 0.00
Port Charges: 0.00
Packing Charges: 0.00
Tariff: 0.00
Aboard Service Charge: 0.00
Technical Service Fee: 0.00
Other Fees: 0.00
Deliver Clause:

sample

- 3) Fuel oil electronic contract management : According to the content of the contract, the purchase amount and quantity of fuel oil are automatically controlled to reduce the review workload and operational errors.

System Function Feature

Procurement and collaboration management :

- 1) Purchase order and confirmation : The online management function of the order is provided, and the system automatically sends the order to the supplier for confirmation, thereby realizing the online confirmation of the order between the two parties, and improving the management ability of the purchase order confirmation synergy.
- 2) Delivery collaboration : Realize online record and tracking of procurement delivery coordination, so suppliers and procurement personnel can upload information of various stages of stock, logistic, delivery, etc. to identify risks in the delivery process in advance, and provide pre-control and post-query tracking of delivery.

sample

delivery order

basic information

| | | | |
|----------------------------|------------|-------------------------------|---|
| delivery order no.: | 10000479 | delivery order name: | 交货单演示用 |
| creator name: | P11 | creation date: | 2019.06.18 |
| supplier code: | 1000000220 | supplier name: | 北京大唐中和电子技术有限公司 |
| total lighterage fees: | 1,230.00 | total port fees: | 12,130.00 |
| total packing fees: | 12,130.00 | total tariffs: | 12,130.00 |
| total transportation cost: | 12,130.00 | total technical service fees: | 12,130.00 |
| other fees: | 12,130.00 | status: | actual quantity delivered to be confirmed |

details:

collaboration record

| category | information details | delivery order no. | operator | date | time |
|-----------------------------|---|--------------------|--------------|------------|----------|
| other | system remarks: The buyer has confirmed the deliver | 10000479 | T-SRM-ZHANGS | 2019.06.18 | 10:27:41 |
| input logistics information | 使用XXX运输商向供应商进行运输, 车辆 | 10000479 | P11 | 2019.06.18 | 10:26:32 |
| other | system remarks: The buyer has confirmed the deliver | 10000479 | T-SRM-ZHANGS | 2019.06.18 | 10:25:22 |
| input stock information | 已完成装货, 可按时发货. | 10000479 | P11 | 2019.06.18 | 10:23:39 |

line item

| procurement order name | procurement organization | procurement order no. | line number | product identification | description | PO quantity | unit | required/planned delivery quantity | order delivery date |
|--|--------------------------|-----------------------|-------------|------------------------|----------------------|-------------|------|------------------------------------|---------------------|
| <input type="checkbox"/> T-SRM-ZHANGS 2019.06.18 10:11 | 中远海运物流有限公司 | 8000000311 | 00001 | HY0100100002 | DCA5070H 吨罐(930KG/10 | 2,000 | L | 1,800 | 2019.06.28 |

- 1) Reconciliation collaboration : Realize the online management of reconciliation management. The procurement personnel and supplier will check the information for payment application in the system to reduce the repetition of business and increase payment accuracy.

One Team, One Goal

