Rack Leasing

What's being leased

- STO will be leasing racks 6X2ft and shelves 4ft 2inch
- STO will be leasing out racks or shelves according to the product type.

How are they leased?

- A certain number of racks/shelves will be allocated for each product category.
- STO may provide a mandatory list with regard of the nature of product category.

How to apply or register as a rack vendor?

- By filling and submitting rack vendor registration form (available from STO site). Submit to leasing@sto.mv. (All
- After form submission (within 24hours), STO shall be requesting for vendor proposal
    - How many racks/shelves the leaser would like to lease
    - Leaser offers for rent and commission rate
    - Other terms and conditions of the leaser
- Vendor will receive an answer for the proposal within less than 5 working days.

What are the leaser criteria?

Winning of the racks and shelves will depend on highlighted points
- Leasing Party
    - Must fit into one of the below entities
        - Company
        - Partnership
        - Sole Proprietorship
        - Government Agency
        - Local Investment
- Product Criteria
    - Product must fit into product category list in Annex 1
    - If produced and packed in Maldives, must fit into MFDA regulations.

What are the terms and conditions?

- Leaser will need to pay a rent
- 5% of sales must be paid to STO as commission
- Vendor must pay an annual maintenance fee, which 5% of monthly rent.
- STO might request to place a specific brand based on nature of the product (will depend on the product type).
- STO might request to set a special price depending on the market price and availability.

What are the winning points?

- Best rent and commission offer
- Priority will be given for vendors who provide a Manufacturing / Distributorship appointment letter.
- Years of service
- Market presence (number of shops, distribution coverage)
- Sales plan

Responsibility of the leaser

- Leaser will be responsible for managing the Rack/Shelves which includes replenishment, expiry, and damage disposals.
- Leaser can only display products with relative to winning product category.
- Stocks must be brought for selling area display only, STO will not provide additional space for storage.
- Leaser can display stocks only within the designated Rack/shelves.
- Inventory must be managed by the Leaser.

What are the possibilities of adding new product (with relative to leased category)?
- New products can be added on continuous basis, just need to follow below two steps
  - ❖ New product addition
    - o Must register all products in STO system (Request by mail to assigned staff)
    - o Must include a barcode, if not to include a barcode via STO system by request. (At the point of product registration, can request for internal barcodes too)

Who will decide the pricing of goods placed on Racks/Shelves?
- Pricing for goods will be done based on suggestion by winning party. But they must fit to the price range if it has been published by Ministry of Economic Development.

Who will be responsible in billing the items to customers in STO store?
- Sales will be done from STO counters, as in STO staffs will be responsible in billing.

Can the leaser view their sales? And how?
- Each vendor will be provided with a vendor specific portal, where the vendor will be able to view their sales at real time. Training and user manual will be shared for all leasers.

At what point and how leaser can reimburse their sales

- Money collected as sales would be paid back with 7days from invoice submission.
- Invoices must be submitted as per below guideline

Task	Process	System	Column1	Task Owner
Step 1	Execute Billing List	Vendor will execute billing list in vendor portal for the preferred invoicing period.	STO Vendor Portal	Vendor
		Once billing list is executed, system will generate report for the sales transactions of the selected period.		
		This report will have a unique reference ID, Total Sales value & Tax value of the selected period.		
Step 2	Invoice	Vendor will prepare tax invoice for the billing list.	Vendor Accounting System	Vendor
		Total Sales value and Tax value on the invoice should match with Total Sales value & Tax value of the billing list.		
		Billing list reference ID should be mentioned in the invoice.		
Step 3	Submit Invoice	Vendor will submit invoice through STO vendor portal	STO Vendor Portal	Vendor
		Invoice should be in PDF format.		
Step 4	Invoice Verification	Check if Sales total & Tax total tallies with billing list totals.	STO Vendor Portal	STO People Choice
		Check if billing list reference number is mentioned in invoice		
Step 5	Invoice Approval	Download invoice from vendor portal & send for PC HOD approval	Zoho Sign	STO People Choice

Step 6	Invoice Submission to FI	Approved invoice will be submitted to FI via Invoice portal	Invoice Portal	STO People Choice
Step 7	Payment	Process payment	SAP	STO Finance

Annex 1

Racks	Items	Total rack	Total Shelf
Confectioneries	Chocolate	2	6
	Cake	2	6
	Sweets	2	6
	Wafers	2	7
	Nuts	2	7
	Chips	4	7
Biscuit	Biscuits Side 1	3	6
	Biscuits Side 2	4	7
Baby food / Yogurt	Baby food / Yogurt	4	7
Milk	Milk products	4	6
Tea bags	Tea bags	3	7
Juice	Juice	5	6
Coffee/ spreads	Coffee/ spreads	5	6
Corn flakes	Corn flakes	5	6
Sauce rack	Oils / Sauce	6	6
	Olives & Olive Oil	2	5
	Can products	2	6
	Dhivehi items/pasta/noodles	6	6
	Rice/ cake products / superchef	6	6
Toiletries	Spray bottles	3	7
	Shower gel /shampoo/lotion	7	6
	Room spray / Razor	2	6
	Baby products / oil / tooth paste / pads	7	7
Cleaning products	Cleaning products	7	6

Plates / foil	Aluminum plates / foil	4	6
Glass / Jar	Glass / Jar	4	6
Household items	Household items (shelf in one side)	15	5
Hanging items	Hanging items (one side)	6	5
Tissue / Diapers	Tissue / Diapers (shelf on one side)	5	5

Process flow summary

#	Task	Process		Task Owner
Step 1	Register as a rack vendor	Filling a form (leasing@sto.mv)	STO Portal	Vendor
Step 2	Reviewing and approval process	Submission of form to product committee		People Choice
		Reviewing and approvals of forms	Product committee meeting	Product committee
Step 3	Registration and portal access	Upon request from people choice, system registering as a vendor.	By STO (IT department)	By STO (IT department)
		Portal access and training		
		Upon request from people choice, Product registration		
Step 4	Product placement	Placing of goods and pricing		Vendor