

*Operate, Maintain & Transfer (OMT)
Of
Dehydration Plant at Spices Park,
Chhindwara, Madhya Pradesh*

Bid Document

Spices Board
*Ministry of Commerce & Industry
Government, Cochin*

Invitation for Participation in 'OMT' Project

Spices Board, a Central Government venture with head Quarter at Cochin has commissioned a Dehydration Plant in Spices Park, Chhindwara in Madhya Pradesh and is running it successfully. Spices Board now invites bids from interested parties to operate the Dehydration Plant in OMT (Operate, Maintain and Transfer) basis for a period of 3 years. The factory and premises at as and where condition shall be leased to the successful Bidder.

The Bidder shall have to pay a lease rent on a monthly basis from the date of taking possession of the Plant. The lease rent will be annually increased by 5% of the bid amount. A one-time pre-operational charge of Rs. 2.00 Lakhs is to be paid in advance, which is non-refundable. The successful bidder to whom the Dehydration Plant will be leased for operation shall be selected on the basis of two covers bidding system viz.,

1. Techno-Commercial Bid
2. Financial Bid

Bidders satisfying the pre-qualification criteria mentioned in the bid document shall be eligible to participate in the bidding. Financial bid of only for those Bidders who satisfy the pre-qualification criteria and whose Techno-Commercial bids are acceptable will be opened.

The successful bidder should organize funding for the project and will be responsible to operate and maintain the plant and all expenses for the operation and day-to-day running of the factory including electricity, running and maintenance cost of Diesel Generator, water charges etc. Detailed terms and conditions of the bidding process are given in the Instructions to Bidders(ITB)

Date

sd/-
Chairman

Instructions To Bidders (ITB)

1.0 Scope of Bid

- 1.1 **Spices Board, Ministry of Commerce and Industry, Government of India** had established a dehydration unit with a capacity of 6 TPD and is successfully running its operations. The Board desires to lease out the said production unit to private entrepreneurs for day-to-day operation. The plant is situated at Chhindwara of Madhya Pradesh, 100 km from Nagpur. Spices Board (hereinafter referred to as CLIENT in these documents) intends to lease out the plant with machinery and equipments and implements as and where condition to the successful Bidder to operate maintain and transfer for a period of 3 years
- 1.2 The scope of work shall consist of running the plant successfully for a period of 3 years for which the premises will be leased. The Successful Bidder shall procure Spices/vegetable for process and is responsible for marketing the products from the plant. The Bidder shall be permitted to use the premises of the plant admeasuring about 10.14 acres of land for its use. The successful Bidder shall be authorized to use the facilities such as internal roads and allow entry to the premises at all times. All the running expenses, cost of spare parts, maintenance of machinery, annual maintenance of plant building, utility charges like water supply, electricity, security charges etc. shall be borne by the successful Bidder.

2.0. Qualification Criteria of the Bidder

- 2.1 Only Bidders satisfying the following pre-qualification criteria shall be eligible to participate in the bidding
 1. The Bidder should have previous experience in running a dehydration plant or an investor with a partner who have experience in running processing units.

2. The Bidder or the lead partner should have an average minimum turnover of Rs.1 crore during last three financial years.
3. The net worth of the Bidder should not be less than Rs.2 crores.

2.1 All Bidders shall include the following information and documents in their Techno- Commercial bid.

- (i) Copies of original documents defining the constitution or legal status, place of registration, principal place of business, written Power of Attorney to the signatory of the bid to commit the Bidder. In the case of joint venture or consortium of firms a Memorandum of Understanding (MOU) clearly indicating the responsibilities of each partner shall be submitted. (SCHEDULE - A)
- (ii) Financial statement including total monetary value of works performed for each of the last 3 years.(SCHEDULE - B)
- (iii) Details of previous experience (SCHEDULE - C)
- (iii) Affidavit in the format indicated in SCHEDULE - D

2.2 All Bidders should quote the monthly lease rent in the financial bid

3.0 One Bid per Bidder

3.1 Each Bidder/associate shall participate only in one bid for the work. A Bidder who submits or participates in more than one bid will cause all the bids having the Bidder's participation to be disqualified.

4.0 Site Visit

4.1 The Bidder, at the Bidder's own responsibility and interest is encouraged to visit and examine the Plant and equipments, etc and obtain all information that may be necessary for preparing the Bid and entering into an Agreement for the operation of the project. The cost of visiting the site and collecting the necessary information shall be borne by the Bidder. The Bidder who is interested to visit the site should inform the CLIENT in advance

5.0 Bid Price

- 5.1 The Bidder shall pay an amount of Rs. 25,000/- as Earnest money deposit (EMD) to CLIENT along with the Bid.
- 5.2 The EMD of the successful Bidder will be discharged only after the successful completion of the lease agreement. If the Bidder fails to complete the lease agreement, the EMD will be forfeited by the CLIENT
- 5.3 The Bidder shall quote the lease rent so that he can successfully run the plant. The Bidder, who should offer maximum lease rent will be treated as the successful Bidder, provided he fulfil all the other terms and conditions specified in the bid documents.
- 5.4 CLIENT reserves the right to revise the minimum specified Lease period from time to time depending on the additional facilities created which will be beneficial to the operation of the Plant.

6.0 Deadline for submission of the Bids

- 6.1 Bids must be received by the CLIENT at the address given below on or before **15th November 2010 at 15.00 Hrs.** In the event of the specified date for the submission of bids being declared a holiday for the CLIENT for any reason, the bids will be received up to the appointed time on the next working day. The Bids should be submitted in the following address in sealed covers.

Dr. Charles J Kithu
Director(Marketing)
Spices Board, Sugandha Bhavan
NH Bye Pass, Cochin – 682 025, Kerala

- 6.2 The CLIENT will open the Techno-Commercial bid on the next day of the last date fixed for the submission, in presence of the available Bidders or their representatives
- 6.3 Price Bids of only those Bidders whose Techno-Commercial Bids are accepted, will be opened on the same day

7.0 **Award Criteria**

- 7.1 The CLIENT reserves the right to accept or reject any bid and to cancel the bidding process and reject all bids, at any time prior to the award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the CLIENT's action.
- 7.2 The CLIENT will take a decision on award of the contract to the Bidder whose bid has been determined to be substantially responsive to the bidding documents and who has offered the **highest lease price** and who has been determined to be eligible in accordance with the provisions in the bid document and whose Techno-Commercial Bid is acceptable.
- 7.3 The Pre-operational Charge of Rs 2.00 Lakh payable to CLIENT shall be paid before signing of the agreement in the form of Banker's cheque/ bank draft drawn in favour of Secretary, Spices Board, Cochin-682025 payable at Cochin.
- 7.4 The process of decision and award of contract shall be as under.
- (a) Only bids that qualify pursuant to the Pre-qualification criteria and Techno-Commercial Bid shall be considered for further evaluation. The cover II of only those Bidders who qualify in the Pre-qualification and Techno-Commercial evaluation will be opened subsequently. The decision of the CLIENT regarding the technical evaluation, qualification, and opening of bids shall be final and binding on all Bidders.
 - (b) The Bidder with the highest lease price and qualified as above shall be awarded the work as per the terms of the contract.
- 7.5 The Bidder whose Bid has been accepted will be notified of the award by the CLIENT prior to expiration of the bid validity period by cable, telex or facsimile, confirmed by registered letter. This letter will state the amount of lease.

- 7.6 The Notification of Award will constitute the formation of the Contract, subject to the Bidder furnishing the Development Charge and the one-year lease amount in advance.

GENERAL CONDITIONS OF AGREEMENT

1. *Permanent Water Supply*

The permanent water sources and water supply are available in the plant. If the Bidder desires to have additional water lines, he has to make his own arrangements and shall have to bear all cost for new connection and distribution of the water supply system without any material change in the present supply lines. Only ISI certified good quality fittings shall be used in the water distribution system. The Bidder from the date of agreement should meet all Charges related to consumption of water

2. *Electrical Supply*

The permanent power supply will be made available from MPPKVV Co Ltd. The Bidder shall have to make his own arrangements and shall have to bear all costs for new connection and distribution of the electric system. The bidder should meet the monthly charges of the electricity used as per the bill received from M/s MPPKVV Co Ltd .

3. *Electrification*

The Bidder will be responsible for any new design and installation of the power receiving and distribution and internal and external lighting systems which should be in conformity with the requirements of the Madhya Pradesh Electrical Inspectorate and the Bidder should get them approved by the Inspectorate. This is over and above the electrification already in place. The light fittings, switch gear, cables, etc. used should be of the highest standard and should be got approved by the CLIENT. All electrical installations shall be as per Madhya Pradesh State Electrical Inspectorate rules and regulations. The equipment and materials shall be of standard quality with ISI mark and as approved by CLIENT.

4. *Waste Disposal*

The Bidder shall design and maintain the waste disposal system at his own cost. Any wastewater let out into the CLIENT's common drainage system should comply with the standards laid down by the Madhya Pradesh State Pollution Control Board and/or by the CLIENT. However, the CLIENT has already put an Effluent Treatment Plant

5 Roads & Water Courses

Existing roads or water courses, pipes, electrical and telephone lines and conduits shall not be blocked, gone through, altered, diverted or obstructed in any way by the Bidder, except with the permission of the CLIENT. All compensation claimed for any unauthorised provision, cutting through, alteration, diversion or obstruction to such roads or water courses, etc. by the Bidder or his agency or his staff shall be recoverable from the Bidder

6 Indemnity & Liability

The Bidder will indemnify, defend and hold CLIENT harmless against any and all proceedings and actions and 3rd party claims, losses, damages, accidents, loss of life and expenses of whatever nature arising out of the procurement, operation and maintenance of the Production unit (Dehydration Plant) or arising out of any breach by the Bidder of any of its obligations under this agreement or subsequent agreement executed by the Bidder. The Bidder shall also fully indemnify and hold harmless and defend CLIENT including its officers, servants, agents and authorities representatives from or against any and of loss and damages arising out of or with respect to:-

- a) Non-compliance with applicable laws and applicable permit by Bidder
- b) Non-payment of tax relating to works, sub-contractors, suppliers, etc. or tax required in connection with operation and production of processed tea, sales tax or any other tax to be paid by the Board or

- c) Non-payment of amount due as a result of materials or services furnished to the Bidder which are payable by the Bidder or any of its agencies.

7 Tax & Duties

All charges on account of octroi, excise or sales tax, compensations and/or other duties or any levy as the case may be on the works shall be borne by the Bidder

All taxes and duties on procurement of raw materials, services and sales of finished products shall be borne by the Bidder

8 Bye-Laws

- a) The construction shall comply with all bye-laws and regulations of local and statutory authorities having jurisdiction over the works and shall be responsible for obtaining prior approval, if any, and payment of all fees and other charges, giving and receiving of all necessary notices and keeping the CLIENT informed of the said compliance with the bye-laws, payments made, notices issued and received.

The Bidder shall indemnify CLIENT against all claims in respect of royalties, patent rights, design trade marks of name or other protected rights in respect of any plant, machine, work or materials used for or in connection with the work or temporary works and from and against all claims, demands proceedings, costs, charges and expenses whatsoever in respect of or in relation thereto. The Bidder shall defend all actions arising from such claims and shall himself pay all royalties, licence fees, damages, costs and charges of all and every sort that may be legally incurred in respect thereof.

- b) The Bidder shall comply with proper and legal orders and directions of the local or public CLIENT or municipality and abide by their rules and regulations and pay all fees and charges, which he may be liable.

9. Insurance

The Bidder shall insure against liability for any loss, damage or body injury, which may occur to any physical property or to any person, which may arise out of the performance of the contract and during the operation and maintenance period.

The Bidder shall insure the plant and machineries for not less than the full re-installment cost including cost of demolition, removal of debris etc. This insurance shall be effective from a reasonable period of taking over of the plant and machinery but not later than 30 days. The Bidder shall keep all the documents relating to the insurance and shall be made available for the inspection of the client. The expiry date of effective insurance policy will be 6 months after the transfer of plant and machinery to the client.

10. Labour

The Bidder shall be responsible for the safety of all employees employed by him on the works and shall report any serious accident to any of them, whatever and wherever, occurring on the works to the concerned authorities and shall make every arrangement to render all possible assistance. The Bidder shall make at his own expense adequate arrangements outside the compound if necessary, for the housing, supply of drinking water, food, provision of latrines and urinals for his staff. The Bidder shall conform to all laws, bylaws and rules and regulations for the time being in force pertaining to the employment of local or imported labour and shall provide the needed ESI cover to the workers employed by him. The Bidder shall pay rates of wages and observe conditions of labour, which are not lower than those established for the trade or industry. The Bidder shall comply with all the relevant laws applicable to the industry including laws relating to the employment, health, safety, welfare, immigration and emigration and shall allow them all their legal

rights. The Bidder should not retrench the employees without the approval of the client.

The Bidder shall effect and maintain insurance against liability for claims, damages, losses and expenses (including legal fees and expenses) arising from injury, sickness, disease or death of any person employed by the Bidder or any other of the Bidder's personnel. The client shall also be indemnified under the policies of insurance, except that this insurance may exclude losses and claims to the extent that they arise from any act or neglect of the Bidder or of the Bidder's personnel. The insurance shall be maintained in full force and effect during the whole time that these personnel are assisting in the execution of the works.

11. *Other Documents*

The Bidder shall submit to CLIENT the draft of agreements with operation and maintenance contractors, etc. for its review and undertake to accept all comments and suggestions if any made by CLIENT there on. CLIENT shall have the right, but not the obligation, to provide its comments, observations, if any, on or in respect of the above mentioned documents within 30 (thirty) days of the receipt thereof by CLIENT and the Bidder shall incorporate all such comments/observations of CLIENT thereon. Any such comments/observations by CLIENT on any of the above mentioned drafts or the failure to provide such comments shall not relieve or absolve in any manner whatsoever the Bidder of his obligations, duties and liabilities under this Agreement nor shall it make CLIENT liable to the Bidder in any manner whatsoever and shall be without prejudice to the rights of CLIENT hereunder.

12. *Obligations of Clients*

CLIENT agrees to observe, comply and perform the following:

- i. So long as the Bidder is not in breach of his obligations under this agreement, CLIENT agrees to the faithful use of the facilities, operation and maintenance of the Dehydration Plant by the Bidder.
- ii. Enable access of the Bidder to the site and infrastructure facilities subject to security arrangements of the Dehydration Plant.
- iii. Assist the Bidder if needed in procuring such of the applicable permits as required by law in accordance with and subject to the Bidder complying with applicable laws.
- iv. Assist the Bidder in obtaining access to all necessary infrastructure facilities and utilities including water, electrical and telecommunication facilities.
- v. Permit plying of vehicles and movement of construction plant and materials subject to customs and security clearance.

13. *Rights of Client*

- i. CLIENT has right already to enter the premises and make necessary checks on the activities.
- ii. CLIENT has right to examine the day-to-day management of Dehydration Plant and to make instructions for improving performance of the day-to-day management.
- iii. CLIENT has right to examine any documents, accounts maintained by the Bidder on the day-to-day management of Dehydration Plant.
- iv. CLIENT has right to make suggestions to improve the quality of services provided by the Bidder on the day-to-day management of Dehydration Plant and Bidder shall incorporate such comments with in reasonable time.
- v. CLIENT has right to suspend the services of any person employed by the Bidder if found unsatisfactory and Bidder shall act immediately on such occasions.

14. *Governing Law*

The Bidder shall abide by all laws, rules and regulations including factories act, minimum wages act, provident fund act, employees' state

insurance act etc and all other acts and rules relating to the operation of the above premises, prevailing in the state of Madhya pradesh and Government of India. The Bidder shall ensure that all the above are taken into account by providing the necessary documentary proof within a month of operation of the plant.

15. Final Authority

Notwithstanding any of the conditions mentioned above, the final authority on any matter connected with the project vests with the Chairman, Spices Board, Cochin.

16. Termination

The CLIENT shall have the right to terminate the lease agreement without paying any compensation to the Bidder in case of breach of contract or default by the Bidder.

Following events shall constitute events of breach of contract or default by Bidder.

- i. Bidder fails to commence the work within 90 days from the date of signing of lease agreement
- ii. Bidder abandons project or any of its material obligations under the contract.
- iii. Bidder commits default in complying with any of terms and conditions of the contract/agreement or rectifies the same within 30 days on receipt of notice in this behalf from CLIENT.
- iv. Bidder fails to maintain the project to the satisfaction of CLIENT during the operation period.
- v. If the Bidder has delayed any payment that has fallen due under this contract if such delay exceeds 30 days.
- vi. If Bidder fails to act on any instructions issued by CLIENT within a reasonable period to the satisfaction of CLIENT.
- vii. If Bidder commits any alterations/ modifications/ additional constructions without permission of CLIENT during the operation period.

- viii. If the Bidder use the factory and premises for any purpose not related to the business of Dehydration Plant or make any alteration or additions or constructions without prior approval of the client during the operation period.
- ix. If the Bidder brings in material other than the agricultural commodity (raw material) intended for dehydration
- x. If the Bidder fails to ensure the safety of workers or fails to maintain regulations related to the labour laws or fails to maintain suitable arrangements for the welfare and hygienic requirements.
- xi. If the Bidder lay off the plant and fails to run the plant continuously for 5 days other than the annual maintenance shut down of plant and machinery.

Without prejudice to any other rights or remedies which the CLIENT may have in respect of / under this agreement, the occurrence of any breach or default by Bidder under this agreement/contract shall entitle the CLIENT to terminate the agreement/contract by a communication in writing (termination notice). If the Bidder fails to remedy such breach or default within the period provided by the CLIENT, the CLIENT shall terminate the agreement, take possession and control of the materials and built-up areas and control the project including collection of any amount due to Bidder.

No structures, temporary or permanent shall be made without the permission from CLIENT.

17. Handing Over

On completion of the lease period the Bidder shall run the factory continuously for 10 days maintaining the full production capacity and provide training to employees engaged by the CLIENT. In such case, the costs towards raw material, production cost, wages to staff, employed by the client, utility charges for the production shall be borne by the client. The Bidder shall maintain their production staff during this period.

SCHEDULE – 'A'

STRUCTURE AND ORGANISATION

Name of Bidder

Head Office Address

Telex No.

Telephone No.

Fax No.

Regional Office Address

Telex No.

Telephone No.

Fax No.

Local Office Address in India

Telex No.

Telephone No.

Fax No.

1. Main lines of Business

- | | | |
|-------------------|----|-------|
| (a) Domestic | 1. | Since |
| | 2. | Since |
| (b) International | 1. | Since |
| | 2. | Since |

Place and year of incorporation (attach copy of certificate of incorporation)

Note:

- (1) Bidder may be a proprietary firm, partnership, limited company or corporation
- (2) Particulars should be furnished separately for each partner/constituent
- (3) Attach the organisation chart showing the structure of the Organisation
- (4) Attach written power of Attorney to the signatory of the Bid

SCHEDULE – 'B'

FINANCLIENT CAPABILITY

1. Name of Applicant
2. Summary of assets and liabilities on the basis of the audited financial statement of the last five financial years including provisional figures for the year ended 2009-10. Please attach published annual report and audited accounts of the Bidder.

Sl. No.		(Rs. Million)				
		Year	Year	Year	Year	Year
		2009-10	2008-09	2007-08	2006-07	2005-06
i.	Authorised capital					
ii.	Capital issued and paid up					
iii.	Total assets					
iv.	Current assets					
v.	Cash, temporary investments and current receivables					
vi.	Total liabilities					
vii.	Current liabilities					
viii.	Net Worth (iii)-(vi)					
ix.	Working capital (iv)-(vii)					
x.	Annual Turnover					
xi.	Gross Profit					
xii.	Net profit before tax					
xiii.	Profit after tax					

3. Current working capital arrangements:
 - (a) Own resources
 - (b) Cash, credit limit, etc. from the bankers
4. Current annual cash requirements for the ongoing projects
5. Proposed arrangement of funds for the Project, in case awarded
 - (a) Own resources
 - (b) Cash, credit limit, etc. from the bankers
6. Details of investments having maturity less than 1 year as on
7. Name and address of bankers

SCHEDULE - 'C'

EXPERIENCE

Name of the Bidder

1. List of similar units/Spices Dehydration plant running by the bidder during the last three years.

Name and address of the unit	Product manufactured	Capacity of the plant	Capacity utilisation during the last three years			Annual turnover during the last three years		

SCHEDULE – ‘D’

AFFIDAVIT

(To be given separately by each constituent firm in the case of Joint Venture/ Consortium on a non-judicial stamp paper)

1. I, the undersigned do hereby certify that all the statements made in the attachment are true and correct.
2. The undersigned hereby authorises and requests any Bank, person, Firm or Corporation to furnish pertinent information deemed necessary and requested by CLIENT.
3. The undersigned understands and agrees that further qualifying information may be requested, and agrees to furnish any such information at the request of CLIENT.
4. The undersigned also hereby certifies that neither our firms/companies/ Joint Ventures/Associates Ms..... nor any of its constituent partners/companies/Joint Ventures/Associates have abandoned any work in India nor any contract awarded to us for such work has been rescinded in the past five years.
5. The undersigned also hereby authorises CLIENT and their authorised representative to conduct any inquiries or investigation to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical capability. This will also serve as authorisation to CLIENT representative to contact in person or otherwise, any individual or authorised representatives of any institution referred to in the supporting information and obtain such information as may be required by him to verify statements and information provided in this application, or with regard to the resources, experience and competence of the Applicant.
6. The undersigned understands that furnishing of false information could result in my disqualification.

(Signed by an Authorised Signatory of the Bidder) _____

Title of Officer

Name of Bidder

Date

Encl: Requisite power of attorney