

***Modify, Operate and Maintain of Chilli processing plant at Spices Park,
Guntur, Andhra Pradesh***

Bid document

Invitation for operation and maintaining the project

**Spices Board
Ministry of Commerce & Industry
Government of India, Cochin 682 025**

Spices Board, Ministry of Commerce & Industry, Government of India with its head Quarters at Cochin has commissioned a chilli processing plant in Spices Park, Edlapadu Mandal of Guntur district in Andhra Pradesh. Spices board now invites Expression of Interest (EOI) from interested parties to modify as required and run the facilities on Modify, Operate and Maintain basis for a period of **5 years**. The plant and facilities will be leased out to the successful bidder '*as is where is condition*'. The Selected bidder shall have to remit a security deposit in the form of Bank Guarantee and pay lease amount on a monthly basis from the date of taking possession of the facility. The lease amount will be annually increased by 10 % of the agreed amount. A one-time non-refundable operational charge of Rs.2.00 lakhs (is to be paid in advance, in the form of Demand Draft drawn in favour of Spices Board, payable at Ernakulam. The successful bidder to whom the facility is intended to be leased out shall be selected on the basis of two covers bidding system viz.,

1. Techno-commercial bid

2. Financial bid

The Successful bidder should organize funding for the project and will be responsible to make the required modification / rectification / installation of the existing plant and operate & maintain the plant and meet 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).

Detailed terms and conditions for both the technical and commercial bid will be finalized through a pre-bid discussion of those who had submitted the Expression of interest (EOI). The Board will schedule the pre-bid discussion on **22nd August 2016**. Those who satisfy the requirements for successful modification and operating the processing facilities at the Spices Park may submit techno commercial and financial bid on or before **31st August 2016**

Financial bid of those bidders who satisfy the pre-qualification criteria and whose techno-Commercial bids are acceptable only will be opened.

The Board will open both the technical and financial bid on the next working day **ie., 1st September 2016** (Thursday) in presence of the available bidders or their representatives and the Financial bids will be opened at 5.00 pm.

(S. KANNAN)
DIRECTOR (MKTG)

Place: Cochin-25
Date : 28.07.2016

Instructions to Bidders (ITB)

1.0 Scope of Bid

1.1 **Spices Board, Ministry of Commerce and Industry, Government of India** had established a full line processing facility for chilli with a capacity of 4 tons per shift of 8 hours and work on steam sterilization unit in batch process with a capacity of 500 kg / batch is being considered in the park. The Board desires to lease out the said processing facilities to prospective entrepreneurs for day-to-day operation. The facility is situated at Edlapadu Mandal of Guntur District of Andhra Pradesh. Spices Board (hereinafter referred to as **The Board** in these documents) intends to lease out the facilities with Machinery, equipments and implements '*as is where is condition*' to the Successful bidder to operate and maintain for a period of 5 years

1.2 The scope of work shall consist of modifying the existing unit and running the plant successfully for a period of 5 years for which the plant will be leased out. The bidder will be permitted to use the premises of the plant building for its processing facilities. The successful Bidder will be authorized to use the facilities applicable to the processing plant such as internal roads and allow entry to the premises etc. All the running expenses, cost of spare parts, maintenance of machinery, annual maintenance of plant building, utility charges like water supply, electricity, charges for DG Set, security charges, salary of the staff, if deputed by the Board for the operation of the facility etc. shall have to be borne by the successful bidder.

2.0. Qualification Criteria for submitting the EOI

2.1 Only bidders satisfying the following pre-qualification criteria will be eligible to participate in the bidding.

- i. The bidder who have previous experience in running the processing facility for spices /agriculture commodity/food processing etc. or a partner in a firm who has the relevant experience in running processing Units.
- ii. The bidder or the lead partner should have an average minimum turnover of Rs.2 crore during last three financial years.
- iii. The bidder should have experience in retail / bulk packing and marketing of Spices and operating leased facilities of spice processing units.
- iv. Agreeing to invest for the required modification in the plant & machinery, if required, for fully functional and maintain at their cost.

2.2. Qualification criteria for submitting the technical & financial bids

- i. Only bidders satisfying the terms and conditions fixed during the pre-bid discussion will be eligible to participate in the bidding
- ii. Those who are eligible shall submit both the technical & financial bid
- iii. All the qualified bidders shall include the following information and documents in their techno-commercial bid.
 - a. 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 participate in the bid. 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)
 - b. Financial statement including total monetary value of works executed for each of the immediately preceding 3 years.(SCHEDULE - B)
 - c. Details of previous experience as required may be produced along with other documents.

2.3 All bidders should quote the monthly lease amount offered in the financial Bid

2.4 All bidders should quote the security deposit offered and its form (DD or BG) in the financial bid. The amount of the security deposit will be fixed during the pre-bid process.

3.0 One Bid per Bidder

3.1 Each bidder/his 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 liable to be disqualified.

4.0 Site visit

4.1 The bidder, at his 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 facility. 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 Board in advance.

5.0 Bid Price

5.1 The bidder shall remit an amount of Rs. 50,000/- as earnest money deposit (EMD) to the Board in the form of DD drawn on any bank payable at Cochin which shall be accompanied 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 Board.

5.3 The bidder shall quote the lease amount so that he can successfully modified and run the facility. The bidder, who offers the maximum lease amount will be treated as the successful bidder, provided he fulfills all the other terms and conditions specified in the bid documents.

5.4 The Board reserves the right to revise the minimum specified lease period from time to time depending on the additional facilities that may be created which will be beneficial for the operation of the plant.

5.5 The bidder has to bid for chilli processing facilities that are commissioned. The steam sterilization facility may be installed by the bidder or by the Spices Board and will be handed over soon after its completion. The lease period for using the steam sterilization system will also ends along with lease period of processing facilities.

6.0 Deadline for submission of the Bids

6.1 The Bid must be received by the Board at the address given below on or before **31st August, 2016**. The bids should be submitted to the following address in sealed covers.

Shri. S.Kannan
Director (Marketing)
Spices Board, Sugandha Bhavan
NH By pass, Cochin – 682 025

6.2 The Board will open both the technical and financial bid on the next working day ie., 1st September 2016 (Thursday) in presence of the available bidders or their representatives.

6.3 Financial bids of only those bidders who's technical bids are accepted, will be opened on the same day at 5.00 pm

7.0 Award criteria

7.1 The Board 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 the contract, without thereby incurring any liability to the affected bidder / bidders or any obligation to inform the affected bidder/bidders of the grounds for the Board's action.

7.2 The Board 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 amount** and who has been determined to be eligible in accordance with the provisions in the bid document and whose techno-commercial bid is acceptable. However preference will be given to those who offer substantially higher amount as security deposit over

and above the amount fixed during the pre-bid discussion.

7.3 The pre-operational charge of Rs 2.00 lakh payable to Board shall be paid before signing of the agreement in the form of banker's cheque/ bank draft Drawn in favour of secretary, Spices Board, and payable at Cochin.

7.4 The process of bid 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 those Bidders who qualify in the pre-qualification and techno-commercial evaluation will only be opened subsequently. The decision of the Board regarding the technical evaluation, qualification, and opening of bids shall be final and binding on all bidders.
- b. The bidder with the highest lease amount and qualified as above will be awarded the work as per the terms of the contract.

7.5 The Bidder whose bid has been accepted will be notified the award of work by the Board prior to expiration of the bid validity period by facsimile/e-mail, which will be followed by a confirmation letter by speed post.

7.6 The notification of award of work will constitute the formation of the Contract, subject to the bidder furnishing the per-operational charge, Security Deposit and lease amount advance equivalent to three months lease amount.

8.0 General conditions of agreement

8.1. Warehouse

Presently the factory building has minimum storage facility.

8.2. Permanent water supply

The Board is in the process of completing a permanent water sources and water supply to the park by construction of over head water tank, water pipelines etc. However, alternate water source is also available to 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. In case the Board establishes a centralized water Treatment plant, the bidder has to pay the water charges fixed by the Board based on the usage.

8.3. Electrical supply

The permanent power supply will be made available by the Board in the park through 33 Kv sub-station. 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 if required. The Bidder should meet the monthly charges of the electricity used as per the bill received from the state electricity board in accordance with the meter reading corresponding to the plant. The bidder has also to bear the proportionate connected load demand of the plant as per the tariff of Andhra Pradesh Southern Power Distribution Company Ltd (APSPDCL) in addition to the charges for the electric consumption based on the meter reading.

8.4. Electrical supply from DG set

The Board had installed stand alone DG set for the operation of processing facility. If bidder desires to use the DG set installed by the Board for the operation of the plant, the tariff rates applicable for the electrical Inspectorate, cost of diesel for running the set and other maintenance cost shall be paid by the bidder.

8.5. 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 **APSPDCL** and the bidder should get them approved by APSPDCL. 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 APSPDCL. All electrical installations shall be as per **APSPDCL** rules and regulations. The equipment and materials shall be of standard quality with ISI mark and as approved by the Board.

8.6. Waste disposal

The bidder shall design and maintain the waste disposal system at his own cost. Any waste water let out into the Board's common drainage system should comply with the standards laid down by the Andhra Pradesh State Pollution Control Board.

8.7. 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 Board. All Compensation claimed for any unauthorized provision, cutting through, alteration, diversion or obstruction to such roads or water courses, etc. by the Bidder or his agency or his staff will be recoverable from the bidder.

8.8. Indemnity & liability

The bidder shall indemnify, defend and hold the Board 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 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 the Board including its Officers, servants, agents and authorities representatives from or against any Loss/damages arising out of or with respect to:-

- a. non-compliance with applicable laws and applicable permit by the bidder
- b. non-payment of tax relating to works, sub-contractors, suppliers, etc. or tax required in connection with operation and production of processed spices, sales tax or any other taxes etc
- c. non-payment of amount due as a result of materials or services provided to the bidder which are payable by the bidder or any of its agencies.

8.9. 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 sale of finished products shall be borne by the bidder.

8.10. Bye-laws

- a. The Bidder 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 Board informed of the said compliance with the bye-laws, payments made, notices issued and received. The bidder shall indemnify the Board 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 Board or Municipality and abide by their rules and regulations and pay all fees and charges, which he may be liable.

8.11. Insurance.

The Bidder shall insure against risk of 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 machinery 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 Board. The expiry date of effective insurance policy will be 6 Months after the transfer of plant and machinery to the Board.

8.12. Labour

The Bidder will 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 authorities concerned 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 at the 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 their legal rights. The bidder should not retrench the employees without the approval of the Board. The bidder shall effect and maintain insurance against risk of 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 of the bidder's personnel. The Board shall also be indemnified under the policies of insurance, except that this insurance may exclude losses and claims to the extent that they may arise from any act or negligence 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.

8.13. Other documents

The Board shall submit to bidder the draft of agreements with operation and maintenance contract, etc. for its review and undertake to accept all comments and suggestions, if any, made by the Board there on. The Board 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 the Board and the bidder shall incorporate all such comments / observations of the Board thereon. Any such comments / observations by the Board 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 the Board liable to the bidder in any manner whatsoever and shall be without prejudice to the rights of the Board hereunder.

8.14. Obligations of the Board

The Board agrees to observe, comply with and perform the following:

- i. So long as the bidder is not in breach of his obligations under this Agreement, the Board agrees to the faithful use of the facilities, operation and Maintenance of the processing facilities by the bidder.
- ii. Enable access of the bidder to the site and infrastructure facilities subject to the security arrangements at the processing facility.
- 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 getting access to all necessary infrastructure facilities and utilities including water, electrical and telecommunication facilities.
- v. Permit the bidder in plying of vehicles and movement along construction plant and materials subject to customs and security clearance.

8.15. Rights of Board

- i. The Board has the right already to enter the premises and make necessary checks on the activities.
- ii. The Board has the right to examine the day-to-day management of the plant and to make necessary instructions for improving the performance of the Process.
- iii. III The Board has the right to examine any documents, accounts maintained by the Bidder on the day-to-day management of extraction plant.
- iv. The Board has the right to make suggestions to improve the quality of services provided by the bidder on the day-to-day management of extraction plant and bidder shall incorporate the same within a reasonable time.
- v. The Board has the right to suspend the services of any person employed by the Bidder if found unsatisfactory and the bidder shall act immediately on such occasions.

8.16. 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 Andhra Pradesh and Government of India. The bidder shall ensure that all the above are taken into account by providing the necessary documentary evidence within a month of the operation of the plant.

8.17. 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.

8.18. Termination

The Board shall have the right to terminate the lease agreement without paying any compensation/ damage 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 the bidder.

- i. The Bidder fails to commence the work within 90 days from the date of signing the agreement.
- ii. The Bidder abandons the project or any of its material obligations under the Contract.
- iii. The Bidder commits default in complying with any of terms and conditions of the contract /agreement or fails to rectify the same within 30 days of receipt of notice in this behalf from the Board.
- iv. The Bidder fails to maintain the project to the satisfaction of the Board during the period of operation.
- 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 the Board within a reasonable period to the satisfaction of Board.
- vii. If Bidder commits any alterations/modifications/additional constructions without written permission of the Board during the period of operation.
- viii. If the Bidder uses the factory and premises for any purpose not related to the business of processing of chilli or make any alteration or additions or constructions without prior approval of the Board during the period of operation.
- ix. If the Bidder brings in material other than the agricultural commodity (raw material) intended for processing.

- 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 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 Board may have in respect of / under this agreement, the occurrence of any breach or default by the Bidder under this agreement/contract shall entitle the Board to terminate the agreement / contract by a communication in writing (termination notice). If The bidder fails to remedy such breach or default within the lease period specified by the Board, the Board shall terminate the agreement, take possession and control of the plant, materials and built-up areas and control the project including collection of any amount due to the bidder. No structures, temporary or permanent shall be made without the written permission from the Board.

8.19. 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 Board. In such case, the costs towards raw material, production cost, wages to staff employed by the Board, utility charges for the production shall be borne by the Board. The Bidder shall continue to maintain their production staff during this period. For more details if any please contact :

Dr. P.Sreekantan Thampi
DEPUTY DIRECTOR
Spices Board Chuttugunta Center
Opp SBI Bank, Old Market Yard
G.T.Road, Guntur - 522004
Ph: 0863-2338569, Telefax: 0863 – 2338570

Application for submitting the Expression of Interest (EOI) for the OMT of the facilities in the Spices Park at Guntur

1	Name of the Company	
2	Whether registered with the Board If so, Registration Number	
3	Name of the Contact Person with Postal address, pin number, email, fax and phone including Mobile	
4	PAN number of the applicant	
5	Details of VAT registration with TIN number	
6	Continuous years of business and type of business	
7	Annual turn-over of the present business	
8	Type of Commodity dealt with	
9	Number and details of business that are currently dealing with	
10	Engineering and operating experience of spices processing units	
11	Details of previous experience in running a spice processing unit	
12	Experience in manufacturing / modifying plant & machinery of spice units.	

(Signature of the applicant)

Place:

Date:

Seal of the Company:

Name of Bidder	
Head office address	
Telephone no.	
Fax no.	
Email id	
Regional office address	
Telephone no.	
Fax no.	
Email id	
Local office address in India	
Telephone no	
Fax no.	
Main lines of business.	
(a) domestic	since
(b) export	since
Place and year of incorporation (attach copy of certificate of incorporation)	

SIGNATURE

Note:

- i. Bidder may be a proprietary firm, partnership, limited company or Corporation
- ii. Particulars should be furnished separately for each partner/constituent
- iii. Attach the organization chart showing the structure of the organization
- iv. Attach written power of attorney to the signatory of the bid

SCHEDULE – ‘B’ : FINANCIAL CAPABILITY

1. Name of Applicant:
2. Summary of assets and liabilities on the basis of the audited financial Statement of the immediately preceding three financial years including Provisional figures for the year ended 2015-16. Please attach published annual Report and audited accounts of the bidder

Sl No	Description	2015-16	2014-15	2013-14
1	Authorized capital			
2	Capital Issued & paid-up			
3	Total Assets			
4	Current Assets			
5	Cash, temporary investment & Current receivable			
6	Total liabilities			
7	Current liabilities			
8	Net worth			
9	Working Capital 1			
10	Annual Turnover			
11	Gross profit			
12	Net profit before Tax			
13	Net 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 28TH July 2016.
7. Name and address of bankers

SIGNATURE