

**Andhra Pradesh Dairy Development Cooperative Federation  
limited (APDDCFL)**

**EOI CUM BID DOCUMENT**

**FOR**

**SELECTION OF FRANCHISEE FOR**

**MANUFACTURING AND MARKETING OF DAIRY**

**PRODUCTS**

**UNDER "VIJAYA" BRAND**

**PART I – EOI-cum-BID  
DOCUMENT  
(GUNTUR REGION)**

**November 2011**



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## I. Bid Notification



**Andhra Pradesh Dairy Development Cooperative Federation Limited**

Lalapet, Hyderabad

Tel: 040 - 27019171 Fax: 040 - 207019414

E-Mail: gmmkt.apddcf@gmail.com

### **Expression of Interest cum Bid Document (EOI cum Bid Document) for Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA Brand**

**Bid No: 1138/ GM (Mktg.) 2011**

**Dated: 23.11.2011**

Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF), intends to invite bids from interested parties for Selection of Franchisees for Manufacturing and Marketing of Milk and Milk Products under VIJAYA Brand intended for sale in selected Regions of the country viz Mumbai, Delhi, Kolkata, Bangalore, Chennai, Bhubaneswar and various regions of Andhra Pradesh.

The Bidder shall either be a single entity or a consortium of two members. The Bidder shall be:(a) Dairy Products manufacturers having Manufacturing Facilities with excess capacities or willing to increase their Dairy Manufacturing capacities; or (b) An entity in the Dairy business (Manufacturing/ Marketing/ Distribution of Dairy products), who are willing to establish manufacturing facilities; or (c) High Net worth entities in consortium with (a) or (b) above.

Bidders shall submit separate EOI cum Bids for each Region. Interested Bidders may obtain the EOI cum Bid Document for the respective market they intend to submit the EOI cum Bid for from the office of the APDDCF at the address given above from 25.11.2011 on payment of Rs. 10,000 /- (Rupees Ten Thousand only), non-refundable through Demand Draft in favour of "**Andhra Pradesh Dairy Development Cooperative Federation Limited**" drawn on any of the schedule commercial banks and payable at Hyderabad. The document may also be downloaded from APDDCF website: <http://www.apddcf.gov.in/> from 25.11.2011 onwards, in which case, the above mentioned payment should be made along with the submission of Bid.

The last date for Bid submission by the bidders is on or before 12.00 PM, on 09.01.2012.

APDDCF reserves the right to accept or reject all or any of the Bid submission without assigning any reason whatsoever. APDDCF also reserves the right to postpone, cancel, modify and annul the entire bid process duly notifying on its website or intimating the bidders who submitted the Bid, as the case may be.

**Praveen Prakash, IAS**  
**Managing Director**

## II. Disclaimer

The Information contained in this EOI cum Bid Document or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of APDDC For any of their employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this EOI cum Bid Document and such other terms and conditions subject to which such information is provided.

This EOI cum Bid Document is not an agreement and is neither an offer nor invitation by APDDCF to the prospective Bidders or any other person. The purpose of this EOI cum Bid Document is to provide interested Bidders with information that may be useful to them in making their Bids/Proposals pursuant to this Bid. This EOI cum Bid Document includes statements, which reflect various assumptions and assessments arrived at by the APDDCF in relation to the Bid. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This Bid may not be appropriate for all persons, and it is not possible for APDDCF, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this EOI cum Bid Document. The assumptions, assessments, statements and information contained in this EOI cum Bid Document, may not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Bid and obtains independent advice from appropriate sources.

Information provided in this EOI cum Bid Document to the Bidder(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The APDDCF accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

APDDCF , its employees and advisors make no representation or warranty and shall have no liability to any person, including any Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this Bid or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the Bid and any assessment, assumption, statement or information contained therein or deemed to form part of this Bid or arising in any way for participation in the Bidding Process.

APDDCF also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this EOI cum Bid Document. APDDCF may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this EOI cum Bid Document.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by APDDCF or any other costs

incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder

Either the issue of this EOI cum Bid Document or its submission by the Bidder does not vest any right in the Bidder for being selected for award of the Bid.

APDDCF reserves the right to reject all or any of the Bids without assigning any reason whatsoever.

### III. Bid Process Schedule

#### Bidding process

<b>Activity</b>	<b>Scheduled Date</b>
Date of Notification	23.11.2011
Issue of EOI cum Bid Document	25.11.2011
Last Date for receipt of clarifications (Clarification Due Date)	13.12.2011
Pre - Bid conference	3.00 PM on 15.12.2011
Reply to the clarifications received	19.12.2011
Bid Due date	12.00 PM on 09.01.2012
Date of Opening of Technical Bid	3.00 PM on 09.01.2012
Date of Opening of Commercial Bids	3.00 PM on 20.01.2012
Date of issue of Letter of Award (LoA)	03.02.2012
Date of Signing of Agreement	10.02.2012

**INSTRUCTION TO BIDDERS**

## **1. INTRODUCTION**

### **1.1 ANDHRA PRADESH DAIRY DEVELOPMENT COOPERATIVE FEDERATION LIMITED (APDDCF )**

APDDCF is a Cooperative Dairy second only to Gujarat Cooperative Dairy for its presence and range of products available. It manufactures milk and milk products under the popular brand name VIJAYA and sells the same in Andhra Pradesh and across the country in various metros. APDDCF is committed to expanding its presence in various markets through good quality products with consistent supply, competitive rates, proper placement of products and aggressive communication and marketing through advertisements.

### **1.2 THE VIJAYA BRAND**

APDDCF manufactures milk and milk products under the popular brand name VIJAYA, and has an established market presence in various metros across India. Products manufactured and sold under the VIJAYA brand include Pure Ghee, Pasteurized Table Butter, Processed Cheese, Sterilized Cream, UHT Milk and Sterilized Flavored Milk. The wide product range of the VIJAYA brand has given it an identity as a national brand and an edge over other regional players and private brands.

VIJAYA brand has been a market leader and is a popular brand in the market. The brand enjoyed leadership in some of the products like Sterilized Cream and UHT Milk in the Mumbai and Andhra Pradesh Markets.

### **1.3 NEED FOR FRANCHISE**

Due to the disassociation of district unions with the Federation and erratic/ non-supply of Products since 2000, there has been a drastic fall in the supply of milk and milk products for marketing under VIJAYA brand in the Mumbai and other national markets.

APDDCF intends to plug the gap in supplies and improve its market presence through Franchisee operations. By this arrangements APDDCF will be making products available to the consumers across the various markets in the country, by which additional revenue will be generated by way of royalty and part of which can be passed on to the small and marginal dairy farmers who are with APDDCF for the last 5 decades.

### **1.4 REGIONS**

APDDCF has identified Mumbai, Delhi, Kolkata, Bangalore, Chennai, Bhubaneshwar and various regions of Andhra Pradesh to implement this proposed franchisee model. APDDCF intends to appoint Franchisee/s for each region and enter into a Franchise Agreement for Manufacturing and Marketing of Milk & Milk Products under VIJAYA brand intended for sale in the Region ("**the Business**").

## 2. ROLE OF THE FRANCHISEES

The following activities have been identified for the Franchisees:

- a. The Franchisee shall produce the Milk and Milk Products as per the agreed monthly schedule and as per the technical specification given by the APDDCF.
- b. Franchisee shall be responsible for marketing the products in the respective Regions and shall bear all the related expenses.
- c. The Franchisee shall establish a new manufacturing facility or dedicate spare/excess production lines and/or expand its existing Manufacturing Facility in accordance with the specifications of APDDCF so as to meet the contracted production and marketing requirements. The entire investment towards establishment/expansion/modification of the Manufacturing Facility, Equipment, etc. as required shall be borne by the Franchisee.
- d. The Franchisee shall establish adequate marketing and sales network and procure the required infrastructure and vehicles for the smooth distribution of the Milk and Milk Products in the Region for which it has the Franchise,
- e. The Franchisee shall procure raw materials as per quality specifications of APDDCF. The Franchisee shall be responsible for the quality of the raw materials used in the manufacture of the Milk and Milk Products, and in case of any defective products, the Franchisee will be directly responsible for civil and criminal action under the Act prevailing in the respective State. The Franchisee shall indemnify APDDCF accordingly.
- f. The Franchisee shall operate the Manufacturing Facility as per specifications provided by APDDCF. The Franchisee shall be responsible for all operational expenses for running the business, staffing, etc.
- g. The Franchisee shall comply with all the prevailing Rules, Regulations, State and Central Government Laws applicable to the proposed production and marketing of Milk and Milk Products. Franchisee shall be responsible to obtain and keep in force and pay at his cost for all necessary licenses required for the purpose of running the Business. Obtaining all legal formalities and Government clearances for establishment/expansion of the Manufacturing Facility and other associated Business operations related to the Franchise Agreement, shall be the exclusive responsibility of the Franchisee.
- h. Franchisee shall keep adequate staff as required for running the business. Franchisee will be responsible for payment of salaries to the employees and shall be responsible for the implementation of all labor laws and social legislation existing as on date or enacted from time to time.
- i. Franchisee shall maintain books of Accounts as per the requirements of the Government bodies
- j. Franchisee shall be responsible for timely deposit of all Government Taxes & Duties applicable to the business

- k. The Franchisee shall pay Royalty Fee to APDDCF in accordance with the Franchise Agreement

### 3. ROLE OF APDDCF :

- a. APDDCF shall provide the Franchisee the license to manufacture and market Milk & Milk Products under VIJAYA brand name in the respective region in accordance with the Franchise Agreement.
- b. APDDCF shall define operational and other guidelines for the operations of the Business and provide its technical support and cooperation to the Franchisees for customizing /expansion of the Manufacturing Facility and running of the Business in accordance with the guidelines.
- c. APDDCF will provide training to the personnel of the Franchisees with regard to Manufacturing Processes, Quality Control and Marketing.
- d. APDDCF shall appoint at the cost of the Franchisee, the following Quality Control personnel:
- Quality Control Officer – Rs. 20,000/- p.m. (Rupees Twenty Thousand only per month)
  - Assistant Quality Control Officer – Rs. 15,000/- p.m. (Rupees Fifteen Thousand only per month)
  - Quality Control Supervisor – Rs. 10,000/p.m. (Rupees Ten Thousand only per month)

The above Quality Control personnel shall approve the raw material procured by the Franchisee, quality of the finished product and packaging. The salary of the above personnel shall be increased by 10% p.a.

- e. APDDCF shall conduct operational and other audits of the Manufacturing Facility at regular intervals.
- f. APDDCF shall in association with the Franchisee, conduct periodic review of the Business and recommend business promotion plans & marketing strategies.
- g. APDDCF shall cover the region under its overall marketing and business promotion activities for the VIJAYA Brand.

### 4. PRODUCTS

The following Milk and Milk Products are envisaged to be licensed out under the Franchise Agreement. The region-wise minimum monthly quantities targeted and information on their present MRP in the respective markets are given as **Annexure II of the EOI cum Bid Document**.

S. No	Product
1.	Pouch Milk
2.	SFM
3.	Butter Milk
4.	Lassi

5.	Doodh Peda
6.	Ice Cream

## 5. QUALITY REQUIREMENTS

The Franchisees should maintain strict quality standards in accordance with relevant laws governing the Dairy industry including Prevention of Food Adulteration Act 1954, Milk and Milk Product Order 1992 and Standard in Weights and Measures (Packaged Commodities) Rules 1997.

Further, the Franchisees, shall within reasonable time, obtain ISO-9002 and IS-15000 certificates. The Franchisees shall also implement Hazard Analysis and Critical Control Points (HACCP).

The Franchisees shall ensure that the Milk and Milk Products manufactured by it meet Prevention of Food Adulteration (PFA) norms as per the **Annexure III** of the EOI cum Bid Document.

Further the Franchisee shall adhere to the SOP adopted by APDDCF which will be part of the Franchise Agreement.

## 6. MINIMUM QUANTITY & ROYALTY FEE

The minimum quantities of Milk & Milk Products required to be manufactured and marketed in the Region ("**Target Quantity**") are given as **Annexure II of the EOI cum Bid Document**. The Bidder shall quote the minimum quantity of Milk & Milk Products it proposes to manufacture and market ("**Committed Quantity**") in the first year of Franchise. Based on the Committed Quantity, APDDCF and the Franchisee shall agree on a monthly production and Marketing schedule ("**Committed Monthly Quantity**") which shall form part of the Franchisee Agreement. The Franchisee shall meet the Committed Monthly Quantity within six months of signing the Franchisee Agreement.

The Franchisee shall pay Royalty to APDDCF on a monthly basis based on the sales of Milk and Milk products achieved by the Franchisee in the Region for the month and the agreed Royalty Fee Percentage as per the Franchise Agreement. The Bidder shall quote a Royalty Fee Percentage as per **Table II of Format 6 (Commercial Bid)**, which shall be applied on the Maximum Retail Price (MRP) of all the Milk & Milk Products proposed to be sold in the Region. The Minimum Royalty Fee Percentage shall be 6% (SIX Percent) of the MRP and the Bidder should quote a figure above the Minimum Royalty Fee Percentage.

## 7. COST OF THE EOI CUM BID DOCUMENT

The cost of the EOI cum Bid Document is Rs. 10,000/- (Rupees Ten Thousand only), which is non-refundable and payable through Demand Draft in favour of the "Andhra Pradesh Dairy Development Cooperative Federation Limited" drawn on any of the schedule commercial banks and payable at Hyderabad. In case a Bidder has downloaded the EOI cum Bid Document from the APDDCF website: <http://www.apddcf.gov.in/> then the above mentioned payment should be made along with the Bid submission as part of the Eligibility submissions. However, in the event the Bid Process is cancelled, the Bid fee will be refunded to the concerned bidder.

## 8. ELIGIBILITY

Subject to the qualification criteria given in Clause 9.1 hereunder, the following entities shall be eligible to Bid:

- a. The Bidder may be single entity or a group of entities. The Bidder may be a natural person or a private entity, or a society or any combination of them (the “**Consortium**”) coming together to implement the project. However, no Bidder applying individually or as a member of a Consortium, as the case may be, can be a member of another Bidder. The term Bidder used herein would apply to both a single entity and a Consortium.
- b. The Consortium may have a maximum of **2 (two)** members.
- c. Members of the Consortium shall enter into a Joint Bidding Agreement for the purpose of the EOI cum Bid, submitting the EOI cum Bid and executing the Contract. The Joint Bidding Agreement, to be submitted along with the EOI cum Bid, shall, *inter alia*:
  - 1) Convey the intent to enter into the Franchise Agreement with APDDCF and to perform all the obligations of the Franchisee in terms of the Franchise Agreement, in case the Contract is awarded to the Consortium.
  - 2) Clearly outline the proposed roles and responsibilities of both the members;
  - 3) State who shall be the Lead member, authorized to sign the Bid and if awarded negotiate with APDDCF and sign the Franchise Agreement on behalf of the Consortium.
  - 4) Include a statement to the effect that both the members of the Consortium shall be liable jointly and severally for all obligations in relation to the Franchise Agreement during the term of the Contract.
- d. The Bid should contain the information required for each member of the Consortium as per **Format 2**
- e. The Bidder should submit a Power of Attorney as per **Format 5** of this EOI cum Bid Document, authorizing the signatory of the Bid to commit the Bidder.
- f. In case the Bidder is a consortium, the members thereof should furnish a Power of Attorney in favor of the Lead Member as per **Format 5A** of this EOI cum Bid Document.

## 9. QUALIFICATION CRITERIA

To be eligible for Qualification, a Bidder shall be:

- a) A Dairy products manufacturer having manufacturing facilities with excess capacities or willing to increase its dairy manufacturing capacities; or
- b) An Entity in the Dairy business (Manufacturing/ Marketing/ Distribution of Dairy products), who are willing to establish manufacturing facilities to meet the requirement envisaged under the Franchise
- c) High Net worth entities in consortium with (a) or (b) above.

## 9.1 Technical Experience:

The Bidder shall have the following minimum experience:

Experience Criteria	In case of Bidder/ Consortium Member being a Manufacturer	In case of Bidder/ Consortium Member being in the business of Marketing/ Distribution	In case of Bidder/ Consortium Member is a High Net worth entity
1. Number of Years of experience	Should have been in the business of manufacturing Dairy products for at least <b>3 years</b>	Should have been in the business of marketing/ distribution of Dairy products for at least <b>3 years</b>	Nil
2. Operational Capacity	Own and operating a Manufacturing Facility with minimum capacity to process 400,000 Litres of milk/ per day	Operating a Cold storage/ warehouse and/ or distribution facility with capacity of 60,000 MTs of Dairy products/ annum	Nil
3. Turnover Volume	Should have manufactured a minimum of 3,600 MTs/ p.a. (Gross output) of Dairy products in at least 2 out of the last 5 years	Should have supplied/ handled a minimum of 3,600 MTs/ p.a. of Dairy products in at least 2 out of the last 5 years	Nil
4. Minimum Net Worth	Should have a Minimum Net worth of <b>Rs. 75 Lakhs (Rs. Seventy Five Lakhs only)</b> at the close of the preceding Financial Year (i.e. 2010-11)	Should have a Minimum Net worth of <b>Rs. 75 Lakhs (Rs. Seventy Five Lakhs only)</b> at the close of the preceding Financial Year (i.e. 2010-11)	Should have a Minimum Net worth of <b>Rs. 3 Crores (Rs. Three Crores only)</b> at the close of the preceding Financial Year (i.e. 2010-11)

9.1.1 In case the Bidder is a Consortium, the combined Net Worth of the Consortium members, should satisfy the above conditions of eligibility. However, in case a Consortium includes a High Net worth entity as its member, the High Net worth entity shall demonstrate a minimum Net worth of Rs. 3 crores (Rupees Three Crores only).

9.1.2 The Bidder shall submit the following documentary evidence to this effect:

- 1) *Certificate from appropriate registering authority indicating date of commencement of Business.*
- 2) *Registration certificate under the Milk & Milk Products Order 1992, or equivalent certificate from a competent Government authority evidencing the capacity of the Manufacturing Facility/storage & handling/production of milk.*

- 3) *Certificate(s) from its statutory auditors stating the annual production/supply figures in respect of experience claimed.*
- 4) *In case of Bidder being in the business of Marketing/ Distribution of Dairy Products, Sales Tax Return for the relevant years shall be furnished.*
- 5) *Certificate from Animal Husbandry Department in the case of Producer, and supply contracts with Dairy Plants.*
- 6) *For establishing Net Worth, the Bidder/ Consortium Member shall submit in original a certificate from its statutory auditors /Chartered Accountant in the prescribed format along with Bid submission. In the event the accounts for the latest financial year (i.e. 2010-2011) are not audited, the same may be indicated by the Chartered Accountant in the Certificate along with the details for the immediately preceding financial year (i.e. 2009-2010).*

## 9.2 **Inspection of facilities:**

APDDCF shall shortlist the Bidders who meet the minimum technical experience and financial capability as mentioned in Clause 9.1 above. APDDCF shall, if it feels necessary, conduct an inspection of their production/ manufacturing facility/ facilities of these shortlisted Bidders.

## 10. **CONFLICT OF INTEREST**

A Bidder shall not have a conflict of interest (the "Conflict of Interest") that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, APDDCF shall forfeit the Bid Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated compensation and damages payable to APDDCF for, inter alia, the time, cost and effort of APDDCF, including consideration of such Bidder's Bid, without prejudice to any other right or remedy that may be available to APDDCF hereunder or otherwise. Without limiting the generality of the above, a Bidder shall be considered to have a Conflict of Interest that affects the Bidding Process, if:

- i. the Bidder, or its Associate and any other Bidder, or its Associate have common controlling shareholders or other ownership interest; where the direct or indirect shareholding is more than 25 per cent of the paid up and subscribed share capital of such Bidder or its associate; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in section 4A of the Companies Act 1956.

**"Associate"** or **"Affiliate"** means, in relation to either Party , a person who controls, is controlled by, or is under the common control with such Party (as used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person, whether by operation of law or by contract or otherwise);

## **11. CLARIFICATION**

11.1 A prospective Bidder requiring any clarification on the EOI cum Bid Document may notify APDDCF in writing or through fax to:

**Andhra Pradesh Dairy Development Cooperative Federation Limited,  
Lalapet, Hyderabad**

11.2 The Bidders should send in their clarification on or before the clarification due date as specified in the Bid Process Schedule. APDDCF may, at its discretion, provide its response(s) to the clarifications and interpretations, if any, on its website of APDDCF at <http://www.apddcf.gov.in/>.

11.3 APDDCF shall endeavor to respond to the questions raised or clarifications sought by the Bidders. However, APDDCF reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring APDDCF to respond to any question or to provide any clarification.

11.4 APDDCF may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by APDDCF shall be deemed to be part of the EOI cum Bid Document. Verbal clarifications and information given by APDDCF or its employees or representatives shall not in any way or manner be binding on APDDCF.

## **12. AMENDMENT OF EOI CUM EOI CUM BID DOCUMENT**

12.1 At any time prior to the Bid submission Due Date, APDDCF may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the EOI cum Bid Document by the issuance of Addenda/Corrigenda.

12.2 Any Addendum/Corrigendum issued hereunder shall be posted in the website of APDDCF at <http://www.apddcf.gov.in/>.

12.3 In order to afford the Bidders a reasonable time for taking an Addendum/Corrigendum into account, or for any other reason, APDDCF may, in its sole discretion, extend the Bid submission Due Date.

12.4 APDDCF also reserves the right to modify or alter the EOI cum Bid Document and also to withdraw or cancel the Bidding Process at any stage.

## **13. BID SECURITY**

13.1 The Bidders shall submit a Bid Security for an amount equivalent to Rs. 2,00,000 (Rupees Two Lakhs only) drawn in favour of "Andhra Pradesh Dairy Development Cooperative Federation Limited" in the form of a crossed Demand Draft/Banker's cheque/ Pay order issued by the Nationalized Bank/Scheduled Commercial Bank, payable at Hyderabad. APDDCF shall not be liable to pay any interest on the Bid Security deposit so made and the same shall be interest

free.

13.2 The Bid Security should be valid up to 180 days from the Bid Due Date.

13.3 Any Bid submitted without the Bid Security, shall be invalid and summarily be rejected.

13.4 Bid Security shall be forfeited/invoked by APDDCF under the following circumstances:

- a. If the Bidder withdraws the Bid at any time during the stipulated period of Bid validity including extended time.
- b. If the Bidder:
  - i. In APDDCF's opinion, commits a material breach of any of the terms and / or conditions contained in the EOI cum Bid Document and/ or subsequent communication from APDDCF in this regard.
  - ii. If the Bid is varied and/or modified during the Bid validity period and any extension thereof as agreed by the Bidder
  - iii. Does not accept the Letter of Award (LOA) or fails to sign the Contract or abide by any other terms and conditions of the LOA
  - iv. Fails to remit the Performance Security after acceptance of LOA

13.5 Under the normal circumstances the Bid Security of the unsuccessful Bidders will be returned within 30 days from the date of acceptance of the LOA. However, APDDCF may adopt such procedure as it may deem fit under the circumstances for the return and timing of return of Bid Security to the unsuccessful Bidders.

13.6 Bid Security will be returned to the Selected Bidders on submission of Performance Security.

#### **14. PRE-BID CONFERENCE**

14.1 Pre-Bid conferences of the Bidders shall be at 3.00 pm on 15.12.2011 in the following address of the APDDCF office.

**Andhra Pradesh Dairy Development Cooperative Federation Limited  
Lalapet, Hyderabad**

14.2 A maximum of two representatives of each Bidder shall be allowed to participate in the Pre-Bid meeting.

14.3 During the course of Pre-Bid conference(s), the Bidders will be free to seek clarifications and make suggestions for consideration of the APDDCF. APDDCF shall endeavor to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.

#### **15. PREPARATION AND SUBMISSION OF BID:**

15.1 The Bidders shall submit their EOI cum Bids in two covers viz., **I. Eligibility & Qualification and II. Commercial Offer** as described below and as per the formats provided.

### **Cover I: Eligibility & Qualification (including Bid Security)**

1. Covering Letter as per **Format 1**
2. Details of Bidder as per **Format 2**
3. Bid Security & Cost of EOI cum Bid Document
  - Demand Draft, for Bid Security
  - Demand Draft towards cost of the EOI cum Bid Document in accordance with Clause 8 of **Part I – Instruction to Bidders** of the EOI cum Bid Document, in case the Bidder has downloaded the EOI cum Bid Document
4. Proof of Experience as per **Format 3**
5. Financial Capacity in terms of Net worth as per **Format 4**
6. Joint Bidding Agreement as per Clause 8 (c) of **Part I – Instruction to Bidders** of the EOI cum Bid Document, in case the Bidder is a Consortium
7. Power of Attorney for signing of Bid as per the **Format 5**
8. Power of Attorney for Lead Member of the Consortium as per the **Format 5A**(in case the Bidder is a Consortium)

### **Cover II: “Commercial Offer”**

- Commercial Offer as per **Format 6.**

15.2 The Bid and all related correspondence and documents in relation to the Bidding Process shall be in English language. Supporting documents and printed literature furnished by the Bidder with the Bid may be in any other language, provided that they are accompanied by translations of all the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Bid, the English language translation shall prevail.

15.3 The Bid and its copy shall be typed or written in indelible ink and signed by the authorized signatory of the Bidder who shall also initial each page. Bids written in pencil will not be valid. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialed by the person(s) signing the Bid. The Bid shall also contain page numbers.

15.4 The Bid and accompanying information shall be complete and strictly as per the requirements in the EOI cum Bid Document.

15.5 Erasing and overwritten shall be avoided. If any corrections are to be made, the part to be corrected shall be neatly written duly attesting the correction.

15.6 The Bid shall be duly signed by an authorized person/an Officer of the bidder's organization with the firm's seal. Bidder shall clearly indicate their legal constitution and the person signing the Bid shall state his capacity and also the source of his ability to bind the bidder. The power of attorney or authorization or any other document consisting adequate proof of the ability of the signatory to bind the Bidder, shall be annexed to the Bid. APDDCF may reject, outright any Bid unsupported by the adequate proof of the signatory's authority. The decision of APDDCF in

this connection is final and binding on the bidder.

15.7 The two covers shall be sealed and shall clearly be inscribed as under :

**“COVER I – BID NO. ----- SUBMISSION OF ELIGIBILITY & QUALIFICATION TO BE OPENED ON ----- AT -----**

**Name of Bid: Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under Vijaya Brand intended for sale in Guntur Region**

**Submitted by: \_\_\_\_\_ (Name of Bidder) “**

**“COVER II – BID NO. -----, DATED ----- - COMMERCIAL OFFER TO BE OPENED ON ----- AT -----**

**Name of Bid: Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under Vijaya Brand intended for sale in Guntur Region**

**Submitted by: \_\_\_\_\_ (Name of Bidder)”**

The Two covers of the Bid organized as above shall be placed in a sealed outer envelope or a box, with the following inscription:

**“NAME OF BID: SELECTION OF FRANCHISEES FOR MANUFACTURING AND MARKETING OF MILK AND MILK PRODUCTS UNDER VIJAYA BRAND INTENDED FOR SALE IN GUNTUR REGION”**

**Bid reference Number: -----, DUE ON -----**

**Submitted by: \_\_\_\_\_ (Name of Bidder)**

**Date of Submission: -----“**

15.8 The submission of Bid shall be addressed to:

**The Managing Director,  
Andhra Pradesh Dairy Development Cooperative Federation Limited  
Lalapet, Hyderabad**

15.9 If the envelope is not sealed and marked as instructed above, APDDCF will assume no responsibility for the misplacement or premature opening of the Bid submitted. A Bid opened prematurely for this cause will be rejected by APDDCF and returned to the Bidder under certificate of posting.

15.10 Bids submitted by fax, telex, telegram or e-mail or through local agents shall not be entertained and shall be rejected.

## **16. COMMERCIAL OFFER**

- 16.1 The Bidder shall quote a Royalty Fee Percentage as a percentage of the Maximum Retail Price (MRP) of the Milk & Milk Products, as per **Table II under the Format 6 (Commercial Bid)**. This Royalty Fee Percentage shall be applicable to all the Milk & Milk Products. The Minimum Royalty Fee Percentage shall be 6% (SIX Percent) of the MRP and the Bidder should quote a figure above the Minimum Royalty Fee Percentage.
- 16.2 The Bidder shall also quote the Minimum Committed Quantity as per **Table I under the Format 6 (Commercial Bid)**.

## **17. BID SUBMISSION DUE DATE**

- 17.1 Bids should be submitted on or before the Bid Due date as set out in the Schedule for Bidding Process, at the address provided in Clause 15.8 of **Part I – Instructions to Bidders** of the EOI cum Bid Document, in the manner and form as detailed in this EOI cum Bid Document.
- 17.2 APDDCF, at its sole discretion, may extend the Bid Due date by issuing an Addendum.
- 17.3 The Bid must reach the registered Office of the APDDCF at Hyderabad not later than 12.00 PM on 09.01.2012. Bid sent by hand delivery should be put in a Bid box at the registered office at Hyderabad not later than 12.00 PM on 09.01.2012. Tenders if sent by post must be sent under registered cover well in advance so as to reach the concerned by the scheduled time. Tenders received after due date and time of closing will be out rightly rejected. APDDCF will not be responsible for the loss of Bid or for transit delays. Bidders are advised in their own interest to ensure that their tenders reach this Office well before the closing date and time of the Bid. APDDCF at its discretion may extend the dead line for submission of bids by issuing an amendment, in which case, all rights and obligations of APDDCF and Bidders previously subject to the original dead line shall thereafter be subject to a new deadline as extended.

## **18. MODIFICATIONS/SUBSTITUTION/WITHDRAWAL OF BIDS**

- 18.1 The Bidder may modify, substitute or withdraw its Bid after submission, provided that a written notice of the modification, substitution or withdrawal is received by APDDCF prior to the Bid submission Due Date. No Bid shall be modified, substituted or withdrawn by the Bidder on or after the Bid submission Due Date.
- 18.2 The modification, substitution or withdrawal notice shall be prepared, sealed, marked, and delivered with the envelopes being additionally marked "MODIFICATION", "SUBSTITUTION" or "WITHDRAWAL", as appropriate.
- 18.3 Any alteration/ modification in the Bid or additional information supplied subsequent to the Bid submission Due date, unless the same has been expressly sought for by APDDCF, shall be disregarded.

## **19. REJECTION OF BIDS**

- 19.1 Notwithstanding anything contained in this EOI cum Bid Document, APDDCF reserves the right to reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefore. In the event that APDDCF rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.
- 19.2 APDDCF reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

## **20. VALIDITY OF BIDS**

- 20.1 The Bids shall be valid for a period of not less than 180 (one hundred and eighty) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and APDDCF.

## **21. CONFIDENTIALITY**

Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising APDDCF in relation to or matters arising out of, or concerning the Bidding Process. APDDCF will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. APDDCF may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or APDDCF or as may be required by law or in connection with any legal process.

## **22. CORRESPONDENCE WITH THE BIDDER**

APDDCF shall not entertain any correspondence from any Bidder in relation to the Bids submitted by them or the Bid Process or acceptance or rejection of any Bid.

## **23. TRANSFER OF EOI CUM BID DOCUMENT**

The EOI cum Bid Document is non-transferable.

## **24. CLARIFICATION IN RESPECT OF INCOMPLETE OFFERS**

APDDCF has to finalize the Bid within a limited time schedule. Therefore it may not be feasible in all cases for APDDCF to seek clarifications in respect of incomplete offers. Prospective Bidders are advised to ensure that their bids are complete in all respects and conforms to Bid terms and conditions. Bids not complying with APDDCF's requirements may be rejected without seeking any clarifications.

## **25. EVALUATION PROCESS**

### **25.1 EOI cum Bid Opening Date**

25.1.1 The Cover I (“Submission of Eligibility & Qualification”) of the Bid shall be opened in the presence of Bidder’s representatives, who choose to attend.

25.1.2 The following information will be announced at the Bid opening and recorded:

- Bidder’s name
- Names of Consortium Members
- Particulars of the Bid Security

25.1.3 The envelope containing Eligibility & Qualification submissions (including Bid Security) will be opened at 3.00 PM on 09.01.2012 and the Commercial bids of those eligible bidders will be opened at 3.00 PM on 20.01.2012. The bidder or his authorized representative is at liberty to be present at the time of opening on the specified dates and time by a letter in the form annexed at **Format - 7** hereto and must be produced in the Office by the person attending the opening of the Bid. Unless this letter is presented by him, he may not be permitted to attend to the opening of the bids. Only one person per Bid will be allowed to attend the opening.

25.1.4 In case of unscheduled holiday on the closing/opening day of the Bid, the next working day will be treated as scheduled day of closing/opening of the Bid, the time notified remaining the same.

### **25.2 Evaluation of the Bids**

25.2.1 APDDCF shall first open the envelope containing

#### **a) Eligibility and Qualification:**

The Cover I (“Submission of Eligibility & Qualification”) submitted by the Bidders shall be checked for compliance with the requirements of the EOI cum Bid Document. An EOI cum Bid shall be considered responsive if the Bid satisfies the criteria stated below:

- Is received by the Bid Due Date
- Is signed, sealed and marked as stipulated in the EOI cum Bid Document
- Contains all the formats and information specified in this EOI cum Bid Document
- Includes the appropriate Bid Security
- Mentions the validity period of the Bid
- Provides the information in Reasonable Detail (“Reasonable Detail” means the details which but for minor deviations, contains the information, which can be reviewed and evaluated by APDDCF without communication with the Bidder).

### **Technical Experience and Financial Capability:**

The technical and financial capability of the Bidders would be assessed based on the minimum requirements as per Clause 9.1 of **Part I – Instructions to Bidders of the EOI cum Bid Document**.

The Bidders who meet the above minimum eligibility and qualification criteria will be eligible for the next stage of the selection process i.e. opening of **Commercial Offer**.

#### **b) Commercial Offer:**

The second envelope containing commercial offer of only those Bidders, who have been declared eligible (“Eligible Bidders”), will be opened. The commercial offers of those found not eligible will not be opened and shall be returned to them by Regd. Post/Courier. The decision of the APDDCF in this regard will be final and binding on the bidders.

25.2.2 APDDCF reserves the right to verify all statements, information and documents submitted by the Bidder in response to the EOI cum Bid Document and if required seek written clarifications from the Bidder. Further, if required APDDCF may inspect the facilities of the Bidder. The Bidder shall, when so required by APDDCF, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by APDDCF shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of APDDCF there-under. In case any clarification(s) is sought by APDDCF after opening of the bids, the reply by the bidder should be restricted only to such clarification and any modification including the one which has effect on price or value of the offer without specific reference by APDDCF shall render the bid rejected without notice and further reference to the bidder.

25.2.3 APDDCF reserves the right to accept/reject any Bid and to annul all the offers and reject all the tenders at any time prior to award of contract without thereby incurring any liability to the affected Bidders or any obligation to inform the affected bidders of the ground for the APDDCF's action.

25.2.4 Evaluation of the Commercial Offers would be undertaken as detailed below.

i. The Eligible Bidders shall be ranked from highest to lowest based on the Royalty fee Percentage quoted by them (H1, H2, H3 and so on) as per as per **Table II under the Format 6 (Commercial Bid)**.

ii. If the Committed Quantity of the Highest Bidder (H1) as per **Table I under the Format 6 (Commercial Offer)** is less than the Target Quantity as per **Annexure II of the Bid Document**, APDDCF shall have the right to appoint additional franchisees for the Region so as to meet its minimum Target Quantity provided the second highest Bidder (H2) is willing to match the Royalty Fee percentage quoted by the Highest Bidder (H1). The same procedure will be adopted for Bidders ranked H3, H4, etc. till the Target Quantity is satisfied.

iii. In the event, two or more Franchisees are appointed for a Region, APDDCF shall divide

the Region into sub-Regions for the purpose of awards of Franchise and APDDCF's decision in this regard shall be final and binding.

## 26. AWARD OF BID

Letter of Award (LOA) will be communicated by telex/fax/telegram/letter to the Selected Bidders after the acceptance of the Bid by APDDCF.

## 27. FRANCHISE AGREEMENT

APDDCF shall within 15 days of receipt of Performance Security as mentioned in Clause 30 below, enter into a Franchise Agreement with the Selected Bidder. The Draft Franchise Agreement is given in Part II of this Bid Document.

## 28. GESTATION PERIOD AND COMMENCEMENT OF COMMERCIAL OPERATIONS

The Gestation Period and commencement of Commercial Operations shall depend upon the status of the Bidder as given in the table below:

Status	Gestation Period	Commercial Operations Date
1. If the Selected Bidder has a ready to use manufacturing facility	3 months from signing of Franchise Agreement	3 months from signing of Franchise Agreement
2. If the Selected Bidder has to augment his facilities	6 months from signing of Franchise Agreement	6 months from signing of Franchise Agreement
3. If the Selected Bidder has to establish new facilities	3 months from signing of Franchise Agreement for procurement of land	18 months from signing of Franchise Agreement.
	12 months from procurement of land for commissioning of manufacturing facilities	
	3 months from commissioning of facilities for trial runs	

## 29. PERFORMANCE SECURITY

The Performance Security shall be applicable in accordance with the table given below:

Status	Performance Security amount
1. If the Selected Bidder has a ready to use manufacturing facility	Rs.50,00,000/- (Rupees Fifty Lakhs only)
2. If the Selected Bidder has to augment his facilities	(a) <b>Till completion of COD:</b> Rs. 1,00,00,000/- (Rupees One Crore only)
	(b) <b>From COD:</b> Rs. 50,00,000/- (Rupees Fifty Lakhs only)

3. If the Selected Bidder has to establish new facilities	<p><b>(a) Till procurement of Land:</b> Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakhs only)</p> <p><b>(b) Till completion of COD:</b> Rs. 1,00,00,000/- (Rupees One Crore only)</p> <p><b>(c) From COD:</b> Rs. 50,00,000/- (Rupees Fifty Lakhs only)</p>
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The Performance Security shall be paid in the following manner:

- (a) 10% if the Performance Security amount shall be paid vide cheque/ demand draft in favour of **“Andhra Pradesh Dairy Development Cooperative Federation Limited”** as a non-refundable cash deposit which shall be utilized by APDDCF towards the Project Development expenses, mobilization of Quality Control personnel and to impart training to the Franchisee’s personnel.
- (b) 90% of the Performance Security amount shall be in the form of a Bank Guarantee (BG). The BG shall be in the format specified in **Annexure I of the Bid Document** and furnished from a Nationalized Bank, IDBI or ICICI/ICICI Bank/Foreign Bank/EXIM Bank/Any Scheduled Commercial Bank approved by RBI having a Net worth of not less than Rs. 500 crores as per latest Annual Report of the Bank. In the case of a Foreign Bank (issued by a Branch in India) the Net worth in respect of Indian operations shall only be taken into account. In case of Foreign Bank, the BG issued by Foreign Bank should be counter guaranteed by any Nationalized Bank in India. In case of JV, the BG shall be furnished on behalf of the JV and not individually by the members

### 30. INCOME TAX LIABILITY

The Bidder shall have to bear all Income Tax liability both for Corporate and Personal Tax.

### 31. INSURANCE

Insurance cover for the men and machinery employed by the Bidder and for material losses, damages and shortages should be borne by the Bidder only.

## **SUBMISSION FORMATS AND ANNEXURE**

**FORMAT – 1**  
**Format of Covering Letter**

**Date:**  
**Place:**

**To**  
**Managing Director,**  
**Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),**  
**Lalapet, Hyderabad**

Dear Sir

**Sub: Selection of Franchisees for manufacturing and marketing of Milk and Milk Products intended for sale in Guntur Region.**

**Ref: Bid No. ----- dated -----**

1. We, M/s \_\_\_\_\_ (*Name of the Bidder/ Lead Member*) acting on behalf of consortium comprising of \_\_\_\_\_ and \_\_\_\_\_ (*strike off if not applicable*) submit herewith our Bid in respect of the **Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA brand intended for sale in Guntur Region** in response to the EOI cum Bid Document issued by APDDCF under Bid reference mentioned above.
2. We hereby confirm that:
  - a. We have examined in detail and have understood the terms and conditions stipulated in the EOI cum Bid Document and the subsequent clarifications/amendments issued by APDDCF.
  - b. The information submitted in our Bid is complete, is strictly as per the requirements as stipulated in the EOI cum Bid Document, and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors, omissions or commissions in our Bid.
  - c. We confirm that our Bid viz. Eligibility and Commercial Offer does not contain any conditions.
  - d. We shall make available to APDDCF any additional information it may find necessary or require to supplement or authenticate the Bid.
  - e. We acknowledge the right of APDDCF to reject our Bid without assigning any reasons or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
3. We declare that:
  - a. We have examined and have no reservations to the Bidding Documents, including any Addendum issued by APDDCF ; and
  - b. We do not have any conflict of interest in accordance with Clause 10 of the EOI cum Bid

Document **(Part-I)**

4. We agree and undertake to:
  - a. Abide by all the terms and conditions of the EOI cum Bid Document.
  - b. Keep this offer valid for 180 (one hundred and twenty) days from the Bid due date specified in the EOI cum Bid Document.
  
5. The undersigned is the Authorized Person to submit this Document as per the Power of Attorney/Board resolution submitted along with the Bid Submissions.
  
6. We hereby enclose a Demand draft/ Bank Guarantee (No. \_\_\_\_\_ dated \_\_\_\_\_ issued by \_\_\_\_\_ Bank) for Rs. 2,00,000 (Rupees Two Lakhs only) towards the Bid Security in accordance with Clause 13 of **Part I- Instructions to Bidders** of the EOI cum EOI cum Bid Document.

**For and on behalf of:**

**Signature:**

**(Authorized Representative and Signatory)**

**Name of the Person:**

**Designation:**

**(Name and seal of the Bidder/ Lead Member)**

**FORMAT – 2**  
**Details of Bidder**

*(The Details of the Bidder is to be submitted by both the members if it is a Consortium)*

1.
  - (a) Name:
  - (b) Country of incorporation:
  - (c) Address of the corporate headquarters and its branch office(s), if any, in India:
  - (d) Date of incorporation and/ or commencement of business: (Enclose a copy of Memorandum and Articles of Association, if the Bidder is a body corporate, and if a partnership then a copy of its Partnership Deed)
  
2. Brief description of the Company including details of its main lines of business and proposed role and responsibilities in this Bid
  - a. In case of Bidder being a Manufacturer: - Provide detailed write up (in a separate sheet) on the manufacturing activities with information on different process lines, capacities, quality specifications, manpower, licenses, etc.
  - b. In case of Bidder being in the business of Marketing/ Distribution: - Provide detailed write up (in a separate sheet) on marketing activities including type of business, Products handled, storage and transport facilities (owned/leased), capacities, regions and markets catered to, etc.
  
3. Details of the Authorized Signatory who will serve as the point of contact/ communication for APDDCF:
  - (a) Name:
  - (b) Designation:
  - (c) Company:
  - (d) Address:
  - (e) Telephone Number:
  - (f) E-Mail Address:
  - (g) Fax Number:

### FORMAT – 3

#### PROOF OF EXPERIENCE

##### A. In case of Bidder being a Manufacturer

S. No.	Details	Eligibility
1.	Name of the Bidder	
2.	Nature of Business	Manufacturer of Dairy Products
3.	Date of Commencement of Business	
4.	Location of Plant	
5.	Year of Establishment of Plant	
6.	Milk Processing Capacity of Plant per day ( in litres)  (Please attach relevant documentary support)	
7.	Annual Production in MTs  (Please attach relevant documentary support)	2010-11: 2009-10: 2008-09: 2007-08: 2006-07:

##### B. In case of Bidder being in the business of Marketing/ Distribution

S. No.	Details	Eligibility
1.	Name of the Bidder	
2.	Nature of Business	Marketing/ Distributor of Dairy Products
	Date of Commencement of Business	
3.	Location of Cold Store/ Warehouse/ Distribution facility	
4.	Year of Establishment of Storage/ Distribution facility	
5.	Annual Handling Capacity of Storage/ Distribution Facility (in MTs)  (Please attach relevant documentary support)	
6.	Annual Supply in MTs  (Please attach relevant documentary support)	2010-11: 2009-10: 2008-09: 2007-08: 2006-07: 2005-06: 2004-05:

1. The Bidder shall submit its experience in the above format for each of its Plant/ Cold Storage/ Warehouse/ Distribution Facility/ Milk Production facility (as applicable).
2. The Bidder shall submit the following documentary evidence demonstrate experience in the production of milk and/ or manufacture/ distribution of Dairy products:
  - i. Certificate from appropriate registering authority indicating date of commencement of Business

- ii. Registration certificate under the Milk & Milk Products Order 1992, or equivalent certificate from a competent Government authority evidencing the capacity of the Plant/storage & handling/production of milk*
- iii. Certificate(s) from its statutory auditors stating the annual production/supply figures in respect of experience claimed.*
- iv. In case of Bidder being a Marketer/ Distributor, Sales Tax Return for the relevant years shall be furnished.*

**FORMAT – 4**  
**FORMAT FOR ESTABLISHING FINANCIAL CAPACITY EXPERIENCE**

(In Rs. crore<sup>\$\$</sup>)

**Net worth:**

Bidder Type <sup>§</sup>	Net worth for the latest year (2010-2011)	
Single entity Bidder	(2) Subscribed and Paid-up Equity	
	(3) Reserves	
	(4) Revaluation reserves	
	(5) Miscellaneous expenditure not written off	
	(6) reserves not available for distribution to equity shareholders	
	<b>Total Net worth (1+2-3-4-5)</b>	
Consortium Member 1	(1) Subscribed and Paid-up Equity	
	(2) Reserves	
	(3) Revaluation reserves	
	(4) Miscellaneous expenditure not written off	
	(5) reserves not available for distribution to equity shareholders	
	<b>Total Net worth (1+2-3-4-5)</b>	
Consortium Member 2	(1) Subscribed and Paid-up Equity	
	(2) Reserves	
	(3) Revaluation reserves	
	(4) Miscellaneous expenditure not written off	
	(5) reserves not available for distribution to equity shareholders	
	<b>Total Net worth (1+2-3-4-5)</b>	
<b>Total</b>		

<sup>§</sup> A Bidder consisting of a single entity should fill in details as per the row titled Single entity Bidder and ignore the rows titled Consortium Members. In case of a consortium, row titled Single entity Bidder may be ignored.

<sup>\$\$</sup> For conversion of US Dollars to Rupees, the rate of conversion shall be Rupees [50 (fifty)] to a US Dollar. In case of any other currency, the same shall first be converted to US Dollars as on the date 60 (sixty) days prior to the Bid Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

**Instructions:**

1. Net worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to

equity shareholders).

2. **The Auditor of the Bidder should certify the Net worth tables as mentioned above.**
3. *In the event the accounts for the latest financial year (i.e. 2010-2011) are not audited, the same may be indicated by the Chartered Accountant in the Certificate along with the details for the immediately preceding financial year (i.e. 2009-2010).*

**FORMAT – 5**

**POWER OF ATTORNEY FOR SIGNING OF BID**

Know all men by these presents, We, ..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr. /Ms. ....(Name), son/daughter/wife of ..... and presently residing at ....., who is presently employed with us and holding the position of ....., as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA Brand intended for sale in Guntur Region proposed by APDDCF (the "Federation") including but not limited to signing and submission of all applications, bids and other documents and writings, participate in bidders' and other conferences and providing information / responses to the Federation, representing us in all matters before the Federation, signing and execution of all contracts including the Franchise Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Federation in all matters in connection with or relating to or arising out of our bid for the said Contract and/or upon award thereof to us and/or till the entering into of the Franchise Agreement with the Federation.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, ....., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ....., 20.....

For \_\_\_\_\_  
(Signature, Name, Designation and Address)

Witnesses:

- 1.
- 2.

Accepted  
(Signature, name, Designation and Address of Attorney)

Notarised

**Notes:**

*The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

*Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*

*For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

**FORMAT – 5A**

**POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM**

Where APDDCF (the “Federation”) has invited bids from Bidders for Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA Brand intended for sale in Guntur Region (the “CONTRACT”).

Whereas ..... and ..... (collectively the “Consortium”) being Members of the Consortium are interested in bidding for the Contract in accordance with the terms and conditions of the EOI cum Bid Document, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s bid for the Contract and its execution.

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS**

We, ..... having our registered office at ....., (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s ....., having its registered office at ....., being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium and of the Principals (hereinafter referred to as the “Attorney”) and hereby irrevocably authorise the Attorney (with power to sub- delegate) to conduct all business for and on behalf of the Consortium and on behalf of the Principals in relation to the entire bidding process and, in the event the Consortium is awarded the Concession/ Contract, during the execution of the Contract, and in this regard, to do on behalf of the Principals and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of the bid for the Contract, including but not limited to signing and submission of all applications, bids and other documents and writings, accept the Letter of Award, participate in bidders’ and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with the Federation, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s bid for the Contract and/ or upon award thereof till the Franchise Agreement is entered into with the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us and as the case may be by the Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ....., 20.....

For \_\_\_\_\_ (Signature, Name and Title)

For \_\_\_\_\_ (Signature, Name and Title)

(Executants)

(To be executed by all Members of the Consortium)

Witnesses:

1.

2.

**Notes:**

*The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

*Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*

*For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

**FORMAT – 6**

**COMMERCIAL OFFER**

**The Managing Director,  
Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),  
Lalapet, Hyderabad**

Sir,

**Sub: Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA brand intended for sale in the Guntur Region.**

**Ref: -----, dated-----**

1. We have gone through Bid notice and documents and agree to abide by all the conditions mentioned therein.
2. We undertake to manufacture, market and sell the quantities proposed by us as per the table below:

**Table I: Committed Quantity**

<b>S. No.</b>	<b>Milk and Milk Products to be manufactured</b>	<b>Unit</b>	<b>Quantity proposed to be manufactured (in Units/ Month)</b>	<b>Quantity proposed to be manufactured (in Units/ Month) (in words)</b>
1.	Pouch Milk	Litres		
2.	SFM	Bottles		
3.	Butter Milk	Packs		
4.	Lassi	Cups		
5.	Doodh Peda	MTs		
6.	Ice Cream	Litres		

\* We understand and agree that in the event of the Committed Quantity quoted by us in the above table is less than the minimum Target Quantity for the Region given in Annexure II of the EOI cum Bid Document, APDDCF shall have the right to appoint additional franchisees for the Region so as to meet its minimum Target Quantity. In the event, two or more Franchisees are appointed for a Region, APDDCF shall divide the Region into sub-Regions for the purpose of awards of Franchise and APDDCF's decision in this regard shall be final and binding on us.

3. The above quantities proposed by us is after taking into consideration all the terms and conditions stated in the EOI cum Bid Document, our own estimates of the market and after a careful assessment of the quality requirement of Milk and Milk Products and all other conditions that may affect the Bid.

4. If we are selected as a Franchisee for Guntur Region by APDDCF, we agree to pay APDDCF Royalty Fee on sale of the above mentioned Milk and Milk Products and also on any other product that are agreed to be manufactured and sold by us under the Franchise Agreement with APDDCF. The Royalty Fee payable by us shall be computed based on our commercial quote below:

**Table II: Royalty Fee Percentage (Commercial Offer)**

Royalty Fee Percentage	Royalty Fee Percentage (in words)
_____ %	_____ Percent

We understand and agree that the Royalty Payment to APDDCF which shall be computed as follows:

Monthly Royalty Payment to APDDCF = Royalty Fee Percentage (Commercial Offer) X  $(\sum_{n=1}^x (Q_n \times MRP_n))$ ; where

$Q_n$  = Actual Quantity of Product 'n' sold during the month or the minimum Target Quantity of Product 'n' agreed to be sold during the month, whichever is higher.

$MRP_n$  = Maximum Retail Price of Product 'n' printed on the Product.

1,2,3.....n = Milk and Milk Products under the Franchise Agreement.

\* the Commercial Offer shall be above 6% of MRP. Any Commercial Offer below 6% shall be rejected.

5. We understand and agree that the MRP of the Milk and Milk Products shall vary from time to time depending upon market conditions and other factors. The MRP of Milk and Milk Products shall be mutually agreed and fixed by APDDCF, from time to time.
6. We understand and agree that APDDCF is not bound to select a Bidder and reserves the right to reject all or any of the Bids without assigning any reason whatsoever.

Place:

Date:

**NAME & SIGNATURE OF THE BIDDER WITH SEAL**

**FORMAT - 7**

**AUTHORIZATION LETTER**

**To**  
**The Managing Director**  
**Andhra Pradesh Dairy Development Cooperative Federation Limited**  
**Lalapet, Hyderabad**

Sir,

**Sub: Bid No. \_\_\_\_\_ due on \_\_\_\_\_.**

Shri \_\_\_\_\_ has been authorized to be present at the time of opening of the above EOI cum Bid Document at Registered Office of APDDCF on my/ our behalf.

Yours faithfully,

Signature and Seal of the Bidder

Copy to

Shri \_\_\_\_\_

For information and production before the EOI cum Bid Document Opening officers at the time of the opening of the EOI cum Bid Documents

## ANNEXURE I: PROFORMA FOR PERFORMANCE BANK GUARANTEE

To

**Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF),**

3rd Floor, Rear Block (HMWSSB premises)

Khairthabad, Hyderabad - 500 004

Dear Sirs,

1. In consideration of the M/s Andhra Pradesh Dairy Development Cooperative Federation Limited, having its Registered Office at Lalapet, Hyderabad (hereinafter referred to as the 'Federation' which expression shall include any entity which the Federation may designate for the purpose) having agreed, inter alia, to consider the Bid of M/s ..... (hereinafter referred to as "Franchisee" which expression shall include their respective successors and assigns) which will be furnished in accordance with the terms of the Bid for the Selection of Franchisees for manufacturing and marketing of Milk and Milk Products under VIJAYA Brand intended for sale in Guntur Region (hereinafter called the "Bid") in lieu of the Franchisee being required to make a cash deposit, we ----- [name of the Bank and address of the issuing branch], hereinafter called the "Bank" which expression shall include our successors and assigns, as to bind ourselves our successors and assigns do at the instance of the Franchisee hereby unconditionally and irrevocably undertake to pay as primary obligor and not as surety only to Federation without protest or demand and without proof or condition the sum of Rs. ----- (in words).
2. We, the Bank, do hereby unconditionally and irrevocably undertake to pay forthwith (and in any event within five days) the amounts due and payable under this Guarantee without any delay or demur merely on a written demand from Federation stating that the amount claimed is due by reason of the occurrence of any of the events referred to in the EOI cum Bid Document. Any such demand made on the Bank by Federation shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, the Bank's liability under this Guarantee shall be restricted to an amount not exceeding Rs. ----- (in words).
3. We, the Bank unconditionally undertake to pay to Federation any money so demanded under this Guarantee notwithstanding any dispute or disputes raised by the Franchisee or any other party including in any suit or proceeding pending before any court or tribunal relating thereto or any instructions or purported instructions by the Franchisee or any other party to the Bank not to pay or for any cause to withhold or defer payment to Federation under this Guarantee. The Bank's liability under this Guarantee is irrevocable, unconditional, absolute and unequivocal. The payment so made by the Bank under this Guarantee shall be a valid discharge of the Bank's liability for payment hereunder and the Franchisee shall have no claim against the Bank for making such payment.
4. We, the Bank further agree that the Guarantee herein contained shall remain in full force and effect up to and until 1700 hours on the date i.e. ----- (hereinafter called the "End Date"). Unless a demand or claim under this Guarantee is made on the Bank by Federation in writing on or before the said End Date the Bank shall be discharged from all liability under this Guarantee thereafter unless extended in writing.
5. We, the Bank further agree that Federation shall have the fullest liberty without the Bank's

consent and without affecting in any manner the Bank's obligation hereunder to vary any of the terms and conditions of the EOI cum Bid Document or to extend or postpone the time of performance by the Franchisee or any other party from time to time any of the powers exercisable by Federation against the Franchisee or any of them and to enforce or to forbear from enforcing any of the terms and conditions relating to the EOI cum Bid Document and the Bank shall not be relieved from its liability by reasons or any forbearance, act or omission on the part of Federation, or any indulgence given by Federation to the Franchisee or any other party or by any such matter or thing whatsoever which under the law relating to securities would, but for this provision, have the effect of so relieving the Bank.

6. To give full effect to the obligations herein contained, Federation shall be entitled to act against the Bank as primary obligor in respect of all claims subject of this Guarantee and it shall not be necessary for Federation to proceed against the Franchisee or any other party before proceeding against the Bank under this Guarantee and the Guarantee herein contained shall be enforceable against the bank as principal obligor.
7. This Guarantee will not be discharged or affected in any way by the liquidation or winding up or dissolution or change of constitution or insolvency of the Franchisee or of any individual member of the Franchisee or any other party or any change in the legal constitution or insolvency of the Franchisee or any other party or any change in the legal constitution of the Bank or Federation.
8. In case the Bank delays in making payment within 15 days of invocation of the guarantee, the Bank is liable to pay interest on the amount due @ Bank PLR plus 2% beyond the 15 days from the date of receipt of invocation letter by the Bank.
9. We, the Bank undertake not to assign or revoke this Guarantee during its currency except with the previous consent of Federation in writing.

Notwithstanding anything contained herein.

- a) Our liability under the Bank Guarantee shall not exceed ----- (in words).
- b) The Bank Guarantee shall be valid up to [date], 20\_\_
- c) Unless acclaimed or a demand in writing is made upon us on or before -----, all our liability under this Guarantee shall cease.

IN WITNESS WHEREOF THE BANK HAS SET ITS HANDS HERETO ON THE DAY, MONTH AND YEAR MENTIONED HEREUNDER.

Signed and Delivered

On behalf of ----- (Bank Name)

(Signature with Date)

by the hand of Mr. -----

(Name of Authorized Signatory)

[SEAL OF THE BANK]

Designation

Address of the controlling office of the issuing branch with phone number and fax number to be provided.

## **ANNEXURE II: TARGET QUANTITY**

The following are the indicative market potential in each of the respective Regions. The Bidder shall quote the quantity of Milk and Milk Products that it proposes to manufacture.

### **Guntur District**

<b>Product</b>	<b>Quantity/ Month</b>
Pouch Milk	4,50,000 litres
SFM	25,000 bottles
Butter Milk	60,000 cups
Lassi	60,000 cups
Doodh Peda	3 Mts
Ice Cream	As per requirement

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### ANNEXURE III: PFA STANDARDS

#### 1. Ghee

Sl.No	Characteristics	Requirements
1	Moisture % (Max)	0.5
2	Free fatty acids (% of oleic acid) Max	3.0
3	Reichert meissl value	21 – 28
4	Butyro-refractometer reading at 40° C	40 - 45
5	Baudouin test	Negative
6	ANTI – OXIDANTS Butylated hydroxyl anisole and butylated hydroxyl toluene(BHT)% Max	0.02

#### AGMARK STANDARDS (APPLICABLE TO ANDHRA PRADESH)

Sl.No	Characteristics	Requirements
1	Colour	White with or without yellowish or greenish tinge and should be uniform throughout
2	Texture	The solid phase should be of well defined granular structure
3	Flavour and Taste	The ghee should be pure, clarified milk fat only and shall have natural sweet and pleasant odour. It should have an agreeable taste and be free from rancid or objectionable flavour on melting; it shall be clear, transparent and should be free from sediment of foreign coloring matter. (For areas other than cotton tracts)

#### GRADE SPECIFICATION

		Special	General	Standard
4	Baudouin Test	Negative	Negative	Negative
5	Butyre-refractomete reading at 400C	40-43	40-43	40-43
6	Reichert Meissl value (Min)	24	24	24
7	Polenske value (Min)	1-2	1-2	1-2
8	Moisture % (Max)	0.3	0.3	0.3
9	Free Fatty acids % (Max)	1.4	2.5	3.0
10	Phytosterol Acetate test	Negative	Negative	Negative

## 2. Butter

S. No.	Characteristics	Table Butter	Cooking Butter
1	Flavour& Aroma	Clean and pleasant flavor and free from objectionable flavor	
2	Body & Texture	Should not be greasy and oily, should be compact	
3	Colour	Shall be uniform, shall not show streakiness	
4	Moisture % (Max)	15.7	16
5	Milk FAT % (Min)	80.7	80.0
6	Acidity % (Max) B.M	0.05	0.05
	Acidity % (Max) C.M	0.08	0.08
7	Salt% (Max)	2.5	--
8	Curd % (Max)	1.0	1.0
9	Coliform/g. (Max)	NIL	NIL
10	Yeast and Mould / g.Max	10	50

## 3. Paneer

Sl. No	Characteristics	Requirements
1	Appearance	White and free from Discoloration
2	Flavour	Pleasant
3	Body & texture	Close, smooth and spongy
4	Preservative	Nil
5	Moisture & by mass	45.0 to 55.0
6	FAT%	30.0 to 34.0
7	Acidity % (Max)	0.40
8	Yeast & mould count / gm. (Max)	350
9	SPC / g. (Max)	$2 \times 10^5$
10	Coliform count / gm (Max)	600

## 4. DoodhPeda

Sl. No	Characteristics	Requirements
1	Appearances & Colour	Free from signs of free fat, water seepage and mouldiness
2	Odour and flavour	Free from objectionable flavour
3	Body & Texture	Uniform texture and consistency
4	FAT % by mass	18 to 24
5	Moisture %	13 to 19
6	Coliform count (Max) per gram	250
7	Yeast & Mould count per gram (Max)	40

## 5. Butter Milk

Sl. No	Characteristics	Requirements
1	Flavour	Pleasing clean acid taste
2	FAT % (Min)	1.0
3	SNF % (Min)	3.0
4	Acidity as lactic acid % mass (Max)	0.3
5	Additives like salt, Ginger, and curry leaves etc	Up to desired level

## 6. UHT Milk

Sl. No	Characteristics	Requirements
1	Organoleptic	Fresh / Normal
2	Temperature °C	Less than 5 <sup>0</sup> C
3	Acidity % (Max)	0.13
4	Alcohol No. (Min)	68
5	SPC / ml. (Max)	10,000
6	Coliform / ml	Less than 10
7	Total spores / ml. (Max)	200
8	Heat resistance spores (Max)	80
9	MBR time	Above 5 hours.
10	Heat stability (min)	Negative at 135 <sup>0</sup> C / 3 minutes.
11	Ph.	6.6 to 6.8
12	Phosphatase test	Negative
13	FAT % (Min)	4.5
14	SNF % (Min)	8.5

## 7. Sterilized Flavored Milk (SFM)

Sl. No	Characteristics	Requirements
1	Appearances	Free from cream plug
2	Colour	Based on added colour
3	Flavour	Based on added flavour and fresh
4	FAT % (Min)	1.5
5	Total Solids % (Min)	18.5
6	Turbidity	Negative
7	Sugar % (Min)	8
8	Titrateable acidity % variation on 7 days incubation (Max)	0.02
9	Volume (Min)	200ml
10	Bacterial spores /ml. (Max)	5

## 8. Curd

Sl. No	Characteristics	Requirements
1	Acidity as lactic acid % by mass	0.6 to 0.8
2	Yeast and mould count per gram (Max)	100
3	Coliform count per gram (Max)	10
4	Phosphatase test	Negative

## 9. UHT Cream

Sl. No	Characteristics	Requirements
1	Organoleptic	Fresh, Normal, Sweet flavor
2	Appearance	Homogenous, free from lumps & separation.
3	FAT % by cut	30 min
4	Acidity % (Max)	0.100
5	Bloat test	Negative