

SELECTION OF FRANCHISEE FOR MANUFACTURING AND MARKETING OF DAIRY PRODUCTS UNDER “VIJAYA BRAND”

Bid No. 1138/GM (Mktg.) 2011 dated 23.11.2011

The following are the Clarifications to the Pre-bid Queries raised by the Bidders during the Pre-Bid Meeting held on 15th December 2011 at the office of General Manager (Marketing), APDDCF.

The modifications to the EOI cum Bid document as per the Corrigendum2 and Addendum 1 shall form an integral part of the EOI cum Bid Document. All other terms and conditions remain unchanged as in the original EOI cum Bid Document.

S. No.	Pre-Bid Query/ Suggestions	Clarifications
1.	Extension of Bid Submission Due Date	Please refer Sl. No. 6, 7&8 of Corrigendum 2
2.	The Minimum Royalty percentage to be quoted by the Bidder is very high considering the low margins available on curd, butter, ghee, etc.	Please refer Sl. No. 1& 2 of Corrigendum 2
3.	What marketing support can APDDCF give the Franchisees considering that all the risk will be taken up by the Franchisees? APDDCF should give firm commitment on marketing support.	Please refer Sl. No. 1 of Corrigendum 2
4.	Royalty Fee Percentage should be linked to the Basic Price of the Products and not to the MRP.	Terms and Conditions of the Bid Document remain unchanged
5.	Gestation Period for the Franchisees should be increased to one year from Commercial Operation Date (COD) as in some regions VIJAYA brand is not present in the market and it will take some time for the Franchisees to assess the demand for the same.	Please refer Sl. No. 3of Corrigendum 2
6.	The Target Quantity should not be enforced by APDDCF immediately on signing the Franchise Agreement and a period of one year from the Commercial Operation Date (COD) should be made available to the Franchisee to understand the market and see the performance of VIJAYA products in the market. In some of the regions, the VIJAYA brand is non-existent; it will be difficult for the Franchisee to gauge the demand for the VIJAYA products immediately on COD and have requested not to penalize them on not meeting the Target Quantity till one year from COD.	Please refer Sl. No. 4 of Corrigendum 2
7.	Please also include processing wherever manufacturing is mentioned in the EOI-cum-Bid Document as legal interpretation of “manufacturing” may not include some of the processes in the dairy industry such as pasteurization	Please refer Sl. No. 5 of Corrigendum 2 & Point (B) in Addendum 1
8.	Include a provision for extending the term of the Franchise at the end of the current 10 (ten) years.	Provision already exists in the Part II – Draft Franchise Agreement of the EOI

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		<p>cum Bid Document (Clause 2.3)</p> <p>Terms and Conditions of the Bid Document remain unchanged</p>
9.	<p>The Performance Security includes a component of 10% which is to be given as a cash deposit by the Franchisee and will be non-refundable. What will be this used for and can it be reduced.</p> <p>AND</p> <p>Can APDDCF provide any R&D support to the Franchisees over the term of the Franchise related to introduction of new products.</p>	<p>It is clarified that the 10% non-refundable deposit shall only be applicable for the First installment of the Performance Security.</p> <p>Terms and Conditions of the Bid Document remain unchanged</p>
10.	<p>Can a Bidder apply for any number of regions?</p>	<p>The Bidder may apply for multiple regions, provided it satisfies the technical and financial criteria applicable for that region. APDDCF, however, is not bound to select a Bidder and reserves the right to reject all or any of the Bids without assigning any reason whatsoever.</p> <p>Terms and Conditions of the Bid Document remain unchanged</p>

Sd

MD, APDDCF