

**Government of Bihar
Department of Industries**

Expression of Interest (EOI) for operating Footwear Manufacturing Facility (FMF) established for manufacturing leather footwear at the Bela Industrial Area, Muzaffarpur

No.02/DI/Cluster-24-05/2017/

Date 25.10.2018

Department of Industries, Govt. of Bihar invites expression of interest from reputed manufacturers/exporters engaged in production and marketing of leather footwear to operate a footwear Manufacturing Facility (FMF) established at Bela Industrial Area, Phase-1, Muzaffarpur (Bihar). The FMF is housed with the facilities of leather cutting, stitching, bottoming and finishing except lasting in an area of 4974 sq feet. The facility is also having separate space for storage of raw material & components, chemicals and finished products along with office, water facility and wash rooms. The facility has all modern footwear machinery including clicking press, insole moulding, insole beveling, skiving, post-bed, flat bed, cylinder bed, zig-zag stitching machines, heat setter, heat reactivator, sole press, wrinkle chaser, pounding, spray booth & polishing machine with suitable compressor. In addition 60 pairs of market oriented PVC hinged shoe lasts and suitable clicking dies are also available. The facility has its own power transformer as well as captive diesel generating set of 62.5 KVA capacity capable to operate all the machines. Necessary furniture & fixtures with fire fighting equipments are also available. The facility has a capacity to produce a minimum of 500 pairs of shoe/chappals per shift. The main objective of the facility is to ensure minimum employment of 51% workers from SC/ ST category from the state and to develop capacity of the local footwear artisans through job work facilitation on reasonable job charges along with own production work. The general terms and conditions governing participation in the EOI and operation of the facility is detailed in the following sections.

Eligibility Criteria

- (1) The applicant/bidder should be a legal entity registered as a trust/ society/firm or company with sound experience in manufacturing, design development, marketing network of leather or non- leather footwear. (Please attach the copy of registration certificate along with copy of memorandum/ byelaws/deed/article of association etc. as may be applicable.)
- (2) The applicant/bidder should have at least three years of experience in footwear manufacturing and/or operating such facility and should have its own forward and backward linkages including e-commerce.
- (3) The applicant/ bidder should have a turnover not less than Rs 1.00 crore per annum on an average for the last 3 years. (Please attach balance sheet & P & L Account for the last 3 years)
- (4) The applicant entity must be registered under GST. (Please attach copy of the GST No.)

Period of Contract

The facility will be provided for manufacturing footwear initially for three year which may be extended on the basis of satisfactory performance of the agency as per the mutually agreed terms and conditions. The Govt. of Bihar reserves the right to terminate the contract with prior notice of 90 days in case of unsatisfactory performance of the operating agency.

Process of submission

Technical and Financial bid shall be submitted in two sealed envelopes separately and the both the envelopes shall be put together in another envelope. The technically qualified bidder quoting the highest amount per annum shall be handed over the facility for operation for 3 year after completion of all related formalities.

Last date & time of receipt of the EOI 29th,November, 2018 till 2.00PM

Technical Bid

Applicant entities must submit their bid along with the following details and supporting documents:

- (1) The Technical bid envelope should be superscribed "EOI for operation the Footwear Manufacturing Facility". Technical bids which are incomplete in any respect shall be rejected.
- (2) Applicant's Profile with details of experience in producing Leather non-leather footwear & its marketing network
- (3) Earnest Money Deposit (EMD) in the form of bank guarantee/Demand Draft for Rs 100000/- (Rs One Lakh only) shall be submitted with the technical Bid drawn in favour of the Director of Industries, Deptt. of Industries Govt. of Bihar, Patna. The DD should be payable at Patna. The EMD of unsuccessful bidder shall be returned within 15 days of completing selection process. No interest shall be payable on the EMD amount. The EMD of successful bidder will be adjusted in the performance guarantee. The EMD amount of that bidder will be forfeited, if the bidder withdraws from the process after opening of the bids.
- (4) Plan of action for operation of the manufacturing facility on commercial scale. Details of key activities with timeline and expected revenue generation in 6 months period from the date of handing over of the facility for operation.
- (5) Technical bid should cover all relevant details as indicated in eligibility criteria.
- (6) Any other relevant detail considered to prove the organization's suitability for award of the operation and maintenance of the facility.
- (7) Undertaking to employ at least 51% workers from SC/ST category from the state.

Evaluation of Technical Bid:

All the bids received within stipulated time shall be evaluated by a committee constituted by the Director of Industries, Department of Industries, Govt. of Bihar. The technical bids will be opened and scrutinised with reference to the eligibility criteria. Technical bids which are incomplete in any respect shall be rejected. The bids shall be opened on **29th. November,2018 at 3.00 PM** at O/O the Director of Industries, Deptt. Of Industries, Vikas Bhawan, 2nd. Floor, Patna.

Financial Bid

The financial bids of those entities who have been considered technically competent by the committee of the DoI only shall be opened on the same day after evaluation of technical bid are eligible to submit financial proposal for operating the FMF initially for 3 year. The modality for participation in the financial bidding and award of the contract for operation of FMF shall be governed by the following conditions read with the general terms & conditions contained in the EoI.

1. The financial bid of technically qualified bidder shall be opened for consideration.
2. The reserve rate for authorizing use of the FMF has been fixed at Rs 12,00,000 P/A (Twelve lakh) per annum. Applicable GST shall be extra.
3. The annual bid amount shall be payable in 12 equal instalments starting from the date of signing of the agreement. The successive instalments must be paid before 10th. day of every month.
4. The period of three years shall start from the date of signing of the agreement.
5. The successful bidders shall be required to furnish security amount of Rs. 5,00,000 in form of bank guarantee issued in favour of the Director of Industries, Deptt. Of Industries, Govt. of Bihar, Patna having validity of 40 months from the date of signing the agreement.
6. The bank guarantee, after completion of the agreement period and handing over the assets of the facility to the nodal officer of the DoI, shall be released.
7. The DoI shall not be liable for any interest on the amount of security deposit.

Evaluation of Financial Bid :

The evaluation of the financial bid shall be based on the criteria of quoting the highest amount above the “reserve price” per annum by the technically qualified bidders. Technically qualified bidders quoting the highest amount per annum shall be ranked as H-1 and shall be given offer for operation of the facility for one year. The successful bidder shall have to accept the offer in writing, deposit the security amount and execute required agreement with the Director of Industries within one week of receipt of offer. In case of failure of the bidder ranked H-1, the bidder ranked as H-2 shall be given opportunity and the EMD amount of the company ranked as H-1 shall be forfeited .

For further information and clarification, please contact:

The Director of Industries, Deptt. Of Industries, Govt. of Bihar, Patna, Phone no. 0612 2235812

E-mail Id: dibihar@yahoo.co /dir.ind-bih@nic.in

The applicant agency may approach the General Manager, DIC, Muzaffarpur mobile no.9431474459 for visiting the FMF on all working days between 5th. November to 23rd. November, 2018 from 11.00 AM to 4.00 PM after fixing an appointment.

Interested entities are requested to send their EoI in the duly filled in proforma ((Annexure I & II) along with relevant documents to the following address on or before 2.00PM on 29th. November,2018.

Address for the submission of EoI:

The Director of Industries, Deptt. Of Industries, Govt. of Bihar,
2nd Floor, Vikas Bhawan, Patna-800015
E-mail Id: dibihar@yahoo.co /dir.ind-bih@nic.in

General Terms & Conditions

1. The selected bidder shall be required to execute an agreement with the Director of Industries, Department of Industries, Govt. of Bihar for operating the FMF for three year. The selected bidder shall bear all the costs relating to the execution of the agreement.
2. The Department of Industries, (DoI) Govt. of Bihar(GoB) shall have the right to terminate the agreement before the completion of the agreed period in case the agency fails to perform as per the terms of agreement. The notice period for such termination shall be of 90 days.
3. The operating entity shall not be entitled to remove any machine, accessories, components, furniture & fixtures from the premises without consent of the DoI.
4. The selected entity shall have to strictly comply to all the acts and rules governing the operation of the facility and the GoB in no way shall be held responsible in this regard during the period of agreement.
5. The operating agency shall have the absolute liability towards timely payment of wages & perks to its employee & workers and shall have to comply to all statutory labour related provisions and the DoI shall in no way be responsible for any of the same.
7. Deptt. of Industries, GoB shall not provide any financial assistance to the selected entity for operation of the manufacturing facility.
8. After the execution of the agreement, the fixed assets (building shed, plant & machinery, tools & equipments, shoe lasts & clicking dies sets, furniture & fixtures, electrical installations, generating set etc. at the facility shall be handed over for commercial production and providing services to the footwear manufacturers/dealers during the agreement period. The selected entity shall be solely responsible for the proper safety & security, upkeep & maintenance of the assets.

9. The selected entity shall be responsible for all operational expenses of FMF including power, water, security, repair & maintenance, wages, insurance, taxes etc. and the Govt of Bihar shall not be liable for the same.
10. The employees and workers engaged in the manufacturing facility for its operation and management shall be hired by the selected entity and the Department of Industries, Govt. of Bihar shall not own any responsibility of such employees & workers. However, the selected entity shall have to employ at least 51% employees from SC/ST category from the state.
11. The General Manager, District Industries Centre, Muzaffarpur shall be the Nodal Officer for the facility. On expiry of the agreement period, the entity concerned shall hand over the assets of the facility to the General Manager, District Industries Centre, Muzaffarpur.
12. The DoI shall have the discretion to cancel or change the operational model of the facility at any point of time prior to agreement.

Proforma for Technical Bid

1. Name of the Entity:
2. Address of the Entity:
3. Name of the authorised person of the entity:
4. Designation of the authorised person:
5. e-mail id of the entity/authorised person :
6. Mobile no. of the applicant entity/authorised person :
7. Details of EMD with DD No., date and amount:
8. Legal Status of the Entity (Society/ trust/firm/ company):
(Please attach the copy of registration certificate along with copy of memorandum/ bylaws/deed/article of association etc. as may be applicable.)
9. Past performance of the entity (Please attach copy of the annual report, audited balance sheet & profit & loss account of the last 3 financial years).
10. Name & bio-data of the Chief Executive/ person authorized to enter into agreement on behalf of the entity (Please attach authority letter).
11. Declaration of the authorized signatory of the entity stating that the entity or its promoters are free from all encumbrances and no legal proceedings are pending against them.
12. Plan of action for operation of the facility (Pl. attach details on plan of action for optimally utilize the facility.)
13. Any other relevant detail considered to prove the organization's suitability for award of the operation and maintenance of the manufacturing facility.
14. Signature of the authorized signatory of the applicant entity

Proforma for Financial Bid

To
The Director of Industries,
Department of Industries,
Govt. of Bihar,
Vikas Bhawan, Baily Road,
Patna
Subject: Submission of financial offer

Dear Sir,

With reference to your advt. dated.....2018 for taking up footwear manufacturing facility for its operation, measuring 4974 sft. with footwear manufacturing machines as listed in your said advt. located at Cycle-Rickshaw Complex, Bela industrial Area-Phase I, Muzaffarpur (Bihar) I/we hereby offer the following rates for the operation of FMF

Details	Offer
Industrial shed measuring 4974 sft. with footwear manufacturing machine, tools & equipments, furniture, fixtures & fittings under the terms & conditions stipulated as listed in the advt.	Rs.-----per annum(In figures) Rupees-----per annum(In words)

Thanking you,

Yours sincerely

(Signature)
Name & address of the entity
e-mail id.
Phone no.