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**TERMS AND CONDITIONS OF TENDER FOR THE AWARD OF THE
CONTRACT FOR THE SUPPLY OF VANASPATI**

- 1) The manufacturing Units of Vanaspati are eligible for submitting the offers.
- 2) The manufacturing Unit should have minimum license capacity to manufacture 1500 MTs Vanaspati per month.
- 3) The tenderer can participate in the e-tender by visiting e-tendering portal site i.e. <https://eproc.punjab.gov.in>. Tenderers shall upload Technical and Financial Bid on the e-tender site. Financial bids of only those parties shall be opened, which are technically qualified.
- 4) The terms and conditions detailed below are part of the terms and conditions of e-tender. The successful bidder shall execute agreement with Markfed Vanaspati & Allied Industries Khanna on non-judicial stamp paper worth Rs. 300/- on the said terms.

This agreement is made at Chandigarh / Khanna between _____, and having its registered office at _____ hereinafter called Supplier which expression shall unless repugnant to the context, include its successors and assigns on one part and The Punjab State Coop. Supply & Marketing Fed.Ltd., a Cooperative Society registered under the Coop.Societies Act and having its registered office at Plot No.4, Sector 35-B, Chandigarh and its unit Markfed Vanaspati & Allied Industries G.T.Road Khanna hereinafter called MARKFED which expression shall unless repugnant to the context include its successors and assigns, on the other part.

WHEREAS Supplier is having a Vanaspati manufacturing facility at _____ (hereinafter referred as manufacturing facility) having the capacity of _____ ton per day.

WHEREAS Markfed has agreed to source(purchase) the Vanaspati from Supplier on long term basis under its own Brand name.

WHEREAS Supplier has agreed to sell Vanaspati to Markfed in such quantities and brands and packing as advised by Markfed from time to time and both parties have agreed to the following terms and conditions.

5) **PRODUCT:**

The product to be covered under this agreement would be Vanaspati and shall be supplied in different packs and size as permitted under the relevant laws and as required from time to time by Markfed. It is expressly understood between Supplier and MARKFED that any brand name belonging to Markfed such as SOHNA or any other such brand is to be used only in respect of supplies being made to Markfed and Supplier is not entitled to use these brand names in any other context, both during the pendency of this agreement and after termination of this agreement.

6) **MANUFACTURE:**

The process of manufacturing including any process incidental or ancillary to it shall be carried out by the producer as permitted by VOP Control Order, 1947.with amendments from time to time and as per FSSAI Act.

7). **RAW MATERIAL INCLUDING PACKING MATERIAL:**

All raw materials including raw oils, consumables, chemicals shall be as per specifications given by Markfed. The oils used would be as permitted by VOP/FSSAI Act. The Supplier shall arrange the packing material at his cost only design in (CDR format/ JPEG images) shall be supplied by Markfed which will be as per the specifications of Markfed/ as per latest Govt. instructions in vogue with the concurrence of G.M. MVAI.khanna. Markfed shall reimburse the cost of packing material to the party at the approved rates of Markfed on actual consumption basis. Thus the cost of packing material is not the part of conversion charges. Specification of packing material are attached at Annexure-A.

8) **EARNEST MONEY/ BANK GAURANTEE:**

Tenderer shall have to deposit Rs. 50,000/- towards earnest money. The same shall be adjusted towards security. The successful tenderer shall have to give irrevocable bank guarantee for Rs.15 lacs (Fifteen Lacs only) in favour of Markfed Vanaspati & Allied Industries Khanna as security for satisfactory execution of supplies as per this agreement. The bank guarantee should be valid for minimum period of thirteen Months which would be got extended by the Supplier during pendency of this agreement. No interest shall be paid on EMD/ Security.

9) **PRODUCTION:**

The Supplier will produce Vanaspati in pouches/poly jars/poly matkas of 15 kg tin, 15 ltr. tin, 15 ltr. bucket, 15 kg Matka, 15 ltr. Matka, 10 Ltr. Matka, 5 Ltr. Matka, 2 Ltr. Matka capacity, pouches of 1Ltr. & 1/2 Ltr. capacity as advised by Markfed from time to time.

The total requirement is approx. 18000 MTs per annum and the station-depot-wise detail is as under:-

Punjab:

Markfed Depot Khanna:	4000 MT per annum
Markfed Depot Bathinda:	2000 MT per annum
Markfed Depot Ludhiana:	2000 MT per annum
Markfed Depot Jalandhar:	3000 MT per annum

Haryana:

Markfed Depot Ambala:	1500 MT per annum
Markfed Depor Sirsa:	500 MT per annum

Delhi:

Markfed Depot Delhi:	4000 MT per annum
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Chandigarh:

Markfed Depot Chandigarh:	1000 MT per annum
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Markfed shall out source or purchase upto 1500 MT's Vanaspati per month initially. Markfed will purchase vanaspati twice a week i.e. on Tuesday and Friday. If there is holiday on the particular day, the purchase will be made on the previous day of the week. Markfed shall purchase minimum 100 MT's on the day of purchase. The quantity can be increased or decreased by 25% by Markfed depending upon market response without any obligations on Markfed. Supplier will be bound to supply Vanaspati to Markfed as per requirement within specific delivery schedule. The supplier/party will ensure the delivery of the stocks within

Fifteen days from the date of bargain or as per requirement of Markfed/ demand of the market. In case the party fails to supply the stocks, Markfed shall have the option to purchase the Vanaspati at the risk & cost of the supplier.

10). **MANPOWER:**

All the manpower that may be required for manufacturing and other operations including material handling etc. would be arranged by Supplier. Markfed will not be responsible for such employees. However Markfed shall be at liberty to have their own quality control officer, placed in the premises of the Supplier to check quantity/ quality of product being supplied for which necessary sitting arrangements have to be made by supplier. Residential arrangements, if available with supplier shall be used by quality control officer without paying any charges and Supplier will not have any reservation to provide facility for oil/Vanaspati testing and access to the Plant, Stores & packing material etc. to Markfed Staff.

11). (a) **SPECIFICATIONS OF VANASPATI and Quality Control.**

Colour	9 to 11 Unit max. (1" cell on lovibond scale expressed as Y + 5R)
PV	1.0 max.
FFA	0.10 max.(as Oleic Acid)
Til Oil	BT 2 Red min as per PFA Act.
Moisture	Not more than 0.10%
Melting Point	38 – 41 C
TFA	Not more than 10% by weight/as per FSSAI notification
Saturated Fatty Acid	as per FSSAI notification
Unsaponification metter	shall not have exceed 2.0%
MOT	Negative
COT	Negative
Hold's Test	Negative
Argemone oil	Negative
Nickel	Not more than 1.5PPM
Synthetic Vitamin-A	Not less than 750.75mcg/2500 IU per100gm
Synthetic Vitamin-D	Not less than 5mcg/200 I.U.
Free Fatty acid(as oleic acid	Not more than 0.25
Percent by mass	
Taste	Satisfactory
Smell	Odourless
Grains	Medium
Consistency	Satisfactory
Clarity Test :	The clarity of the material shall be judged by the absence of turbidity after heating the sample to 70+0.5 C and keeping for one hr. at this temp.

Product not conforming to the specifications of quality and packaging will not be accepted/despached and the authorized representative of Markfed will have the final say. The party will provide analysis report of the product and packaging material along with the consignment. The Joint analysis report prepared by the Markfed representative deputed for this purpose for each batch should be daily sent to MVAI Khanna plant along with daily stock report jointly signed by the both parties. The dispatches should preferably be made according to batch / lot wise. In the event of failure of the party to supply Vanaspati as per contracted

rate and quality, Markfed would be free to arrange the same at risk & cost and the difference in the cost would be recoverable from supplier.

In order to ensure that the finished product (Vanaspati) strictly conforms to the quality standards specified/ to be specified from time to time and to relevant statutory rules, Markfed Quality Assurance officials at the factory of Supplier may check the quality of the input material(raw oils and packing materials) as also the finished product. Such periodic check of quality norms by Markfed personnel will however not absolve supplier from their obligations and responsibilities to comply with the prescribed quality standards of Vanaspati. Supplier further undertakes and guarantees that the Vanaspati in tins/ poly packs and in consumer packs to be supplied to Markfed would strictly conform to the relevant quality standards prescribed under VOP (Quality of Standards), Order Act & Rules 1955 amended from time to time as also the standards laid down under PFA Rule provided in Food Safety & Standard Act 2006.The label declarations on individual packs shall fully confirm to the requirements of various statutory provisions i.e. VOP Control Order, 1947, PFA Rules.

Packaged Commodity Rules etc. Labeling & Packing Act with its amendments from time to time even during the period of Tender completion. For any deficiency in quality standards of Vanaspati or any deviation from compliance of the statutory rules governing package declarations, Supplier shall fully undertake to secure and indemnify Markfed from the loss/ damages if any.

Markfed shall also be entitled for recovery of damages on a/c of lowering the reputation on a/c of supplying poor quality of the Vanaspati. Labeling/ Printing should be got done as per new notification no.

GSR664(E) read with corrigendum GSR 135 (E) dated 27.2.2009 or any other amendment from time to time.

- (b) The party shall also adhere to regulation of Trans Fatty acids (TFAs) in partially hydrogenated vegetable oils (PHVOs) which should not be more than 10% by weight implemented by food safety & standard authority of India during the course of contract.
Any other amendment/change in FSSAI during the course of contract shall have to be implemented by the supplier.
- 12) The design and size of the labels and art work for different kind of packing will be given by Markfed. The Tins shall be duly label printed/stenciled and top & tickle embossed with Markfed without which the consignment will not be accepted. In case, packing material does not conform to the specifications, Markfed may be at liberty to impose pro-rata quality cut on the whole consignment, provided it falls within the tolerance/acceptance limit as prescribed in the specification falling which consignment shall be rejected.
- 13) The party shall submit two samples of Vanaspati 1ltr pouch duly packed alongwith analysis's report from a recognized laboratory duly approved by Govt. Copy of validity of lab recognized by Govt. be enclosed alongwith Sample. Batch no., Mfg.dt & Name of manufacturer be properly printed on the sample at the time of submission of tenders.
- 14) The supplier shall be entirely responsible to obtain necessary approval for the manufacturing of Vanaspati under Markfed's brand of Markfed Vanaspati & Allied Industries, G.T.Road, Khanna (Punjab) from the Ministry of Consumer Affairs, Food & Public Distribution, Deptt. of Vanaspati, Veg Oils & Fats, Govt. of India CGO Complex, Lodhi

Road, New Delhi. This No Objection Certificate from the Directorate for the manufacturing of Vanaspati under Markfed's Brand name shall be subject to the following conditions:

- i) The label will not carry any misleading claim/declaration and would be subject to the approval of Markfed only.
- ii) The words 'Marketed by' and 'Manufactured by' shall be mentioned on the label at appropriate places.
- iii) FSSAI license no shall be printed in prescribed manner.
All other statutory conditions to comply with the requirements under any Govt.'s Regulations/Acts/Orders, besides Veg. Products (Regulations) Order, 1998, as amended from time to time, shall also be mentioned on the label as per the Packaging & Commodities Rules/Act, Weights & Measures Act including P.F.A. Rules etc.

15) **SALE PRICE:**

Sale price of the Vanaspati excluding GST to Markfed will be settled periodically as per then prevailing rate of spot Crude Palm Oil PMT ex-Kandla (Max.5% FFA) without GST + accepted Conversion Charges as per the tender, all inclusive of raw material, process loss, processing charges, & FOR cost to destinations within Chandigarh, Punjab, Haryana and Delhi given by Markfed. The tenderer while supplying goods shall issue tax invoice in which GST and other taxes may be shown separately. In addition to this, GST exempted Unit will have to give certificate that their unit is exempted from the preview of GST tax incidence within Punjab/ Outside Punjab for a period of _____ alongwith exempted value.

16) **SALES TAX/ VAT/GST:**

The tenderer will submit its all GST return on time and ensure that Input Tax credit is duly available to Markfed against bills issued to Markfed. In case of non availability of ITC to Markfed the same shall be recovered from the tenderer.

17) **PAYMENT TERMS:**

The party will deliver in advance the Vanaspati packed as per Markfed requirement of the specifications detailed in the agreement. Markfed will make payment within 10 working days from the date of dispatch from manufacturing unit.

18) **PENALTY:**

Any material supplied below specification or any complaint regarding quality/quantity /Packing etc. shall be replaced by the supplier at their own expenses within seven days failing which Markfed shall be at liberty to purchase the material at the risk and cost of supplier. The stock under complaint as lifted back, shall separately be stored by the party and packing material of such stocks shall be cut & torn in the presence of Markfed representative to eliminate chances of its re-circulation & the party shall ensure that these stocks are not re-packed under SOHNA brand. In case such complaint of recirculation of stocks under complaint reoccur, the contract shall be terminated & proceedings for purchase at risk and cost shall be initiated. Supplier shall be responsible to reimburse Markfed for any compensation/ damages paid on this account of any kind including replacement failing which Markfed shall encash the bank guarantee/forfeit security & Launch civil & criminal proceedings against the supplier. Markfed shall also be entitled for recovery of damages on account of lowering the brand reputation due to supply of poor quality of vanaspati.

- 19) Dented/leaked stocks shall be replaced by the respective manufacturer on the spot or within 30 days from the date of receipt (if leaked stocks not identified on spot). However, replacement will be restricted to maximum 0.50% of total dispatch during the month in which the invoice is raised against which the replacement is required.

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If respective manufacturer do not replace the leaked/dented stocks within 30 days, the payment against the same shall be retained till replacement.

20) **RECONCILIATION:**

Reconciliation of accounts would be held once every month by both parties and debit/credit notes would be issued by or on 5th of each calendar month.

21) **STATUTORY REQUIREMENTS**

Supplier has agreed to comply with all the statutory requirements and Rules & Regulations promulgated by the Govt. (Central and State) & the local bodies from time to time for manufacture & supply of the product such as.

- Food Safety & Standards Act 2006,with amendment if any
- Essential Commodities Act.
- PFA
- BIS, Weight & Measures Act.
- Packaged commodity Act etc.
- VOP Control order.
- Or any such order applicable & shall be liable for any violation thereof. The supplier shall reimburse to Markfed Liaising/legal expenses incurred by Markfed defending any case/prosecution on account of any omission or commission on the part of Supplier in complying with the requirements. In all such cases the Supplier will indemnify the Markfed for any liabilities. If any specific approval is required from any authorities, the same will be arranged by Supplier.

22) **SAFETY OF GOODS:**

Supplier Party will store all raw material, packing and products in proper sanitary conditions through out and shall ensure that they do not deteriorate or get spoiled. Any deterioration in goods due to negligence of Supplier/Unit shall be the sole responsibility of the supplier.

23) **INSURANCE:**

The supplier will take proper insurance policy for its building, plant and machinery, goods, stock in process finished goods and packing material etc. at its own cost till the receipt of finished goods to Markfed from the mill. A copy of the insurance policy shall be given to Markfed before start of production.

24) Conditional & incomplete tenders shall not be accepted.

25) In case of any change in tender documents, the corrigendum/addendum will be uploaded only at www.markfedpunjab.com and <https://eproc.punjab.gov.in>.

26) **PERIOD OF AGREEMENT:**

This agreement shall be valid for a period of nine (9) months from the date of approval by Markfed, which can be extended for a period of three months at the discretion of Markfed on the same terms and conditions. The Contract can be terminated at any time by giving one month notice by Markfed without assigning any reason.

The party should plan purchase and consumption of packing material in such a way that during the ending period, so that no inventory of packing material is left over at the time of termination of the agreement. However the packing material lying at the premises of party purchased with the concurrence of G.M. Khanna shall be utilized.

Any surplus in raw material finished goods or packing material would not be charged to Markfed at the termination of agreement. Markfed would be at liberty to take over all the finished product duly packed out of the balance stocks lying at the premises of the supplier.

27) **OFFERING OF RATES:**

The tenderers are requested to quote the incidental charges (containing transportation rates/ logistics/ processing charges etc.), the opening spot rate of CPO of the day on www.mcxindia.com shall be taken as the benchmark rate of CPO for payment to the processors/ manufacturer of Vanaspati. The quantities will be fixed by General Manager, MVAI Khanna, which will be informed to the successful tenderer/ tenderers.

The Rates once offered/settled/negotiated shall not be withdrawn by the tender. In the event of withdrawal, the earnest money/security of tender shall be forfeited and tenderer shall be debarred from participation in the next tender of Markfed and work allotted to tenderer will be got executed from some other party at his risk and cost. Conditional and incomplete tenders shall not be accepted. Markfed may allot the tender to the party which will quote L-1 rate. However Markfed reserve the right to allot a 40% percentage of work to L-2 party on L-1 rates if agreed to by the party and in case L-2 is not ready to work on L-1 rates, then Markfed will offer certain percentage of work to L-3 on L-1 rate if agreed by L-3 and so on. The comparative statement of the tenderers shall be worked out on the basis of actual cost to Markfed.

28) **ARBITRATION:**

In case of any dispute and difference between the parties arise up out of the contract the same shall be referred to the sole arbitrator to be appointed by the Managing Director, Markfed as per the provisions of the Indian Arbitration and Conciliation Act, 1996, as amended upto date. The award of such arbitrator shall be final and binding on the parties to this contract. It is a term of this contract that in the event of arbitrator being transferred or vacating his office or being unable to act for any reason, the Managing Director, Markfed at the time of such transfer, vacation of office, death or inability shall appoint another person to act as Arbitrator. Such a person shall be entitled to proceed with reference from and the stage where it was left by his predecessor.

All the proceedings under the agreement or otherwise shall take place within the jurisdiction of Chandigarh court only.

(Signature on behalf of Markfed)

(Signature of the Tenderer)

GM/CM/DYCAO

Witness:

1. _____

2. _____

Witness

1. _____

2. _____

I/We accept the above terms & conditions.

(Signature & stamp of the tender)