

# THE MYSORE PAPER MILLS LTD

(A Government of Karnataka Undertaking)

No FFR/DF/RM/2017-18/109

CIN : L99999KA1936SGC000173

Office of the Director (Forests)

MPM.Ltd.,

Paper Town, Bhadravathi

Phone : (O) 08282 270094

Date : 16.02.2018

## **Invitation of bids through e-procurement portal for purchase of Eucalyptus and Acacia and Aca/Euc Mixed pulpwood from M.P.M. Ltd., Plantations.**

I. e-Bids are invited from the wood based industries (i.e. Pulp and Paper / Rayon Grade Pulp, MDF Board manufacturing industries/Any other pulpwood /wood consuming industries etc.,) existing in Karnataka or elsewhere for purchase of with bark and without bark Eucalyptus and Acacia pulpwood from the plantations of MPM Ltd. Bids may be submitted in the prescribed format through e-procurement portal till 5.00 P.M of **13.04.2018** for purchase of **86857** MT of without bark OR **104228** MT of withbark of **Eucalyptus** pulpwood, **208595** MT of without bark OR **250314** MT of withbark **Acacia** pulpwood and **12700** MT of without bark OR **15240** MT of withbark **Euc /Acacia** mixed pulpwood, converted into 2 m. long billets, from various plantations of MPM as per schedule enclosed. **The interested parties may quote their best rate for :**

- i) landed cost at destination per metric ton of with bark / without bark billets of Eucalyptus and Acacia pulpwood excluding the applicable taxes and levies i.e., GST / Central Sales Tax / Service Tax / APMC Cess and other applicable tax., which are to be borne by the buyer separately. Forest Development Fee shall be levied on the landed cost on the total value of the produce.

## **II. Terms and conditions.**

- 1) The bid shall be submitted through E-procurement portal only from the e-procurement portal website i.e. <https://www.eproc.karnataka.gov.in> till 05.00 PM of **13.04.2018**.
- 2) Time for receipt of bids is till **5.00 PM** of **13.04.2018** through e-Procurement portal.
- 3) The bids will be opened at **3.30 P.M.** on **17.04.2018** by the undersigned or by an officer duly authorized.

- 4) The intending bidders shall quote their best rate per MT separately for with bark / without bark billets of Eucalyptus / Acacia Pulpwood. These rates are applicable from the date of execution of agreement till the end of contract period.
- 5) Any variation i.e., (+) or (-) 25% in the quantity estimated will be accepted by both the parties.
- 6) The supply period shall be from date of agreement to one year.
- 7) The rate quoted in the bids shall be exclusive of GST / Central Sales Tax / Service Tax / Forest Development Fee / APMC cess etc.,. Any new taxes if levied by the Govt. during contract period shall be passed on to the buyer at the rates applicable. The bidders shall produce copies of any exemptions granted to them. No exemptions shall be allowed unless the relevant documents are produced at the time of billing.
- 8) Since the responsibility for payment of service tax on transportation is on the recipient industries, the industries receiving pulpwood will pay the Service Tax applicable and furnish proof of such payment at the time of payment of bills.
- 9) Income Tax at such rates as prevailing at the time, on the total value of sales shall be recovered from the buyer in accordance with Section 206 c of the Income Tax Act, 1961.
- 10) Bids should be submitted only through e- procurement in the prescribed form.
- 11) The bidder shall submit the price bid directly on the e-portal only.
- 12) MPM reserves the right to call for **e-forward auction** for the tenderers who participate in e-tender. If MPM desires e-forward auction, MPM shall furnish the date and time of e-forward auction to the tenderers participated in e-tender and such tenderers are requested to participate in the e-forward auction. E-forward auction is not compulsory.

**Allocation of pulpwood/wood to different Industries:**

- 13) The evaluation of the bids will be done by the Managing Director, MPM Ltd., on the advice of Committee on the basis of the price bids submitted on the portal along with bid form. The highest bid for individual plantations will be decided based on the maximum net revenue that accrues to MPM after deducting costs of extraction and transportation from bid amount quoted for different destinations and the aggregate quantity of wood allotted to particular industry will be decided based on this criteria.
- 14) The intending Bidder shall pay tender processing fee and “Earnest Money Deposit” (EMD) of Rs. 5,00,000/- ( Rs Five Lakhs only), only through any of the following modes in e-procurement portal.

- a) Credit Card
- b) Debit Card
- c) National Electronic Fund Transfer (NEFT)
- d) Over the Counter (OTC) (ICICI Bank)

The EMD amount paid shall be free of interest and EMD of the successful bidder will be adjusted towards the initial deposit/security deposit. The EMD of the unsuccessful bidders will be returned.

- 15) Telegraphic bids / conditional bids / optional bids or bids sent other than in the manner laid down in these conditions, will not be considered and they shall be summarily rejected.
- 16) Participants who intend to bid on behalf of another firm / person should hold a duly executed power of attorney in their favour on a stamp paper of requisite value authorizing him to do so.
- 17) Bids from persons who are black listed, convicted or who are minors or who have failed to pay Government dues or who are insolvent are liable to be rejected. If such persons obtain the contract on the basis of false or suppressed information, the contract shall be liable for termination even if the fact comes to light after award of the contract.
- 18) All corrections, additions, deletions and alterations in the bid should be attested using digital electronic signature within the time of submission of bid.
- 19) The Bidders at the time of submitting bids shall furnish their registered office address to which all communication shall be made. The Mysore Paper Mills Limited will not be responsible for the consequences, if any, of communication sent to such address and is not received by them. The responsibility of making adequate arrangements to receive all communications in time shall rest with the bidders only.
- 20) The acceptance of bids is subject to confirmation by the competent authority of Mysore Paper Mills Ltd., who may confirm or reject any bid including the highest bid without assigning any reason thereof. The decision of the competent authority in this regard shall be final.
- 21) The quantity offered in this tender is only approximate. The bidders should note that the assessment of yield has been made by the MPM using standard methodologies. However, the actual yield may be more or less than the quantity now assessed. If the actual quantity is more than 25% of the quantity mentioned in agreement, the MPM Ltd, shall reserve the right to dispose of the excess quantity as it deems fit including increasing the quantity agreed to be supplied to the highest bidder. If the actual quantity is less, the supply will be restricted to the quantity available. The bidder will have no claim for compensation towards any shortfall over the quantity agreed to be supplied.
- 22) If the MPM feels that the rate quoted by the highest bidder is less than the upset price fixed by the MPM or less than the market rate or is uneconomical to supply

at that rate for any reason, the MPM reserves the right to call the highest bidder for a negotiation.

- 23) The acceptance of bids will be communicated to the successful bidder as early as possible, generally within 90 days from the date of opening of bids. If any bidder withdraws his offer before finalization of the tender, the EMD will be forfeited to the MPM.
- 24) Within 10 days from the date of dispatch of the acceptance of the bid by the MPM to the successful bidder, an agreement on stamp paper of appropriate value (purchased at the bidder's cost) shall be executed. Necessary Income Tax and Sales Tax Clearance Certificates should be submitted by the buyer at the time of execution of the agreement.
- 25) An amount of Rs. 50,00,000.00 (Rs. Fifty lakhs only) shall be deposited as security deposit by the successful bidder at the time of agreement which shall be refunded after expiry of the contract period. The security deposit amount will not fetch any interest to bidder.

**Mode of payment:**

- 26) For the material received in any week, 90% of the cost of material lifted has to be cleared by the buyer within next week.
  - 27) The monthly Invoice will be raised by MPM within 10<sup>th</sup> of succeeding month, the buyer shall clear the monthly bill within 10 days of receipt of Invoice.
  - 28) For any delay in payment of dues towards supply of pulpwood beyond a period of 10 days from the date of receipt of Invoice, interest @ 18% per annum for the delayed period will be charged on the dues till the dues are paid.
- In any event if the arrears of payment exceed the Security Deposit at the disposal of MPM, the MPM reserves the right to stop supplies and divert the supplies to other industries at the discretion of MPM.

- 29) The MPM shall deliver the pulpwood at the buyer's factory site or at such depot as indicated by the bidder in the tender.
- 30) Pulpwood billet to be supplied by the MPM from its plantations shall be above 1.5" dia at the thinner end.
- 31) Receiver of material shall get the material unloaded at his cost within 4 hours. The receipt of the supply should be acknowledged by the buyer on the same day. If unloaded beyond 4 hours, for every day penalty will be levied as per the clause which will be decided at the time of entering into agreement with consultation with factory authorities.
- 32) Weekly progress should be sent by the buyer to MPM.

- 33) The pulpwood will be supplied as and when it is prepared, in order to avoid any possible pilferage. The dispatched material shall be weighed at the receiver's weigh bridge. The billing shall be done based on the quantity acknowledged by the buyer. However the receiver shall furnish a copy of the certificate issued by Department of Legal Metrology about the correctness of the weights.
- 34) If any dispute arises between the buyer and the MPM about the interpretation of the terms and conditions, the decision of the Managing Director, MPM Ltd., Bangalore shall be final and binding on the buyer.

### 35) **Settlement of Disputes**

The Buyer and the Seller shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising them under or in connection with the Order.

- 35.1 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Buyer or the Seller may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 35.2 Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Order.
- 35.3 Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in this clause.
- 35.4 Notwithstanding any reference to arbitration herein,
- a) the parties shall continue to perform their respective obligations under the Order unless they otherwise agree; and
  - b) the Buyer shall pay the Seller any money due the Seller.
- 35.5 The dispute settlement mechanism to be applied pursuant to this Clause shall be as follows:
- a) Any dispute or difference or claim arising out of or in connection with or relating to the present contract or the breach, termination or invalidity thereof, shall be referred and settled under the Arbitration Centre – Karnataka (Domestic & International) Rules 2012, by one or more arbitrators appointed in accordance with its rule.
  - b) Arbitration proceedings shall be held at Bangalore Karnataka, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

- c) The decision of the arbitrators shall be final and binding upon both parties. The cost and expense of Arbitration proceedings will be paid as determined by the Arbitrator. However, the expenses incurred by each party in connection with the preparation, presentation etc. of its proceedings shall be borne by each party itself.

36) Submission of the bid shall amount to acceptance of the terms and conditions herein notified.

37) FORCE MAJEURE

If, due to any conditions such as prolonged strike, agitation or civil war, acts of god, external aggression, disruption of communication etc., beyond the control of either party and non-availability of legally valid recourse to other options for executing this contract, either party shall give notice of its intention to invoke Force Majeure regarding its inability to execute the agreements citing in such detail as may be necessary or possible, of the conditions giving rise to its inability to perform the conditions of the agreement. Upon receipt of such notice both parties shall restrict their claims after such verification of the claim of the conditions leading to inability to perform the contractual obligations if necessary to the portion of the agreement already performed or executed and no claim shall rest against either party for non-performance of the part or portion of the agreement that cannot be performed.

For Mysore Paper Mills Limited,

Director (Forests)