

Expression of Interest for Operation  
and Management of Fruit and  
Vegetable Processing unit with Pack  
house Facility being set up at  
Industrial Area Hajipur, Vaishali,  
Bihar

## INTRODUCTION AND DETAILS

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### 1. About Infrastructure Development Authority (IDA)

Department of Industry, Government of Bihar has entrusted Infrastructure Development Authority (IDA) for setting up Fruit and Vegetable Processing unit with pack-house facility at Industrial Area Hajipur, Vaishali, Bihar. IDA will create the facility under the leadership of Department of Industries, Government of Bihar and will invite the Operation and Management Agency for operation, running and management of the facility (PPP Mode).

Infrastructure Development Authority (IDA) has been constituted under the chairmanship of the Chief Secretary, Government of Bihar under the Bihar State Infrastructure Development Enabling Act, 2006 to provide for the rapid development of physical and social Infrastructure in the State and to attract private sector participation in designing, financing and construction of Infrastructure Projects. IDA is the nodal agency for PPP initiatives in the State.

### 2. Background of the Project

Bihar, fundamentally an agrarian economy, has a large agricultural and animal production base offering abundant supply of raw material to be processed for human consumption. Despite these natural advantages, the level of food processing is very low and there is scope to improve the food processing levels to meet the increasing requirements of the states growing population, while at the same time offering a sustainable consumption market.

Department of Industry, Government of Bihar is setting up a modern fruit and vegetable processing unit with pack house facility at Industrial Area Hajipur, Bihar. The major objectives of the project are

- Encouraging the private sector for making new investment in fruit and vegetable processing by private sector vis-a-vis production of fruit and vegetable in the state
- Creating advance facility for private sector for fruit and vegetable processing targeting cropping pattern in the catchment area of the unit
- Reduce the overall wastage of fruit & vegetables and ensuring the remunerative price to the farmers
- Increasing the export of fruit and vegetable from the state
- Creating the direct and indirect employment opportunities around the area.

Some statistics about the fruit and vegetable production in the state are as given below:

- **Litchi:** Bihar is a **leading Litchi** producing state in the country. The production of litchi is about 0.23 MT from an area of 0.03 m. ha. having productivity of 7.3 MT/ha.
- **Mango :** Bihar is the **fourth leading producer** of Mango in the country having production of about 1.33 m. MT from an area of 0.15 m. ha. with productivity of 9.1 MT/ha.
- **Guava:** Bihar is the **fourth largest Guava** producing state in the country with production of 0.24 m. MT from an area of 0.03 m. ha. having productivity of 8.0 MT/ha. Bihar is producing about 9.6% of total guava in the country.
- **Pineapple :** Bihar is the **fifth largest** Pineapple producing state in the country producing about 9.1% of the total production of pineapple in the country. The production of pineapple is about 0.13 m. MT from an area of 0.005 m. ha. having productivity of 26.5 MT/ha.
- **Banana :** Bihar is the **seventh largest** producer of Banana and is producing about 5.1% of the total banana in the country with production of 1.52 m. MT from an area of 0.03 m. ha. having productivity of 47.6 MT/ha
- **Cauliflower:** Bihar is **the second largest** producer of Cauliflower in the country and accounts for 17 % of the total production of cauliflower in the country.
- **Cabbage :** Bihar is **the third** leading producer of Cabbage and accounts for 9% of the total production of cabbage in the country.
- **Potato:** Bihar accounts for 14% of the total production of potatoes in the country and is the **third largest** producer of potato in the country.
- **Brinjal :** Bihar accounts for 8% of total production of Brinjal in the country and is the **fifth largest** Brinjal producing state in the country.

### Proposed Component under the Project

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The proposed facility will have three components as mentioned below:



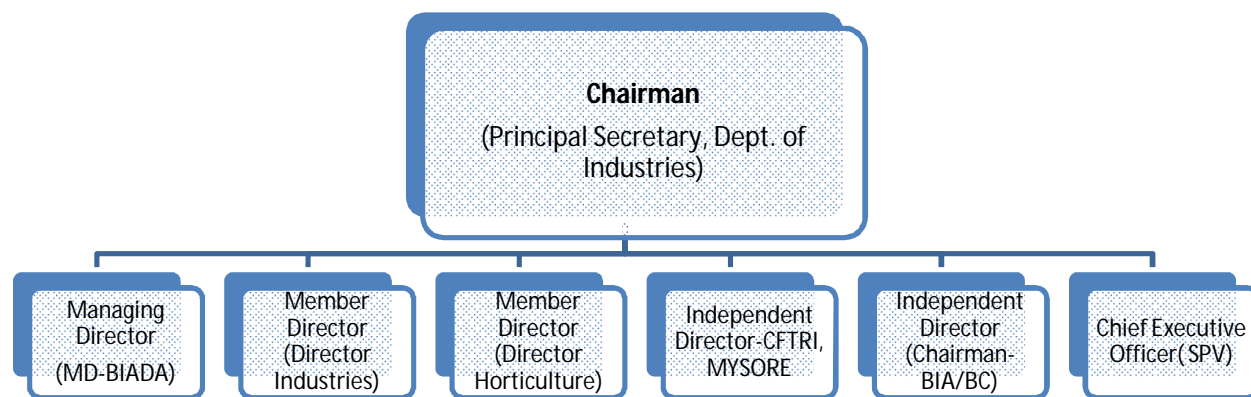
All the facilities being proposed at the unit will be suited to multiple product processing to ensure year round operation of the unit. The facility is expected to process about 6000 MT of fruit and Vegetable at 100% capacity utilization. IDA may take the input from applicant during the EOI meet to make suitable modification in the proposed components in terms of capacity or new facilities.

### Proposed Governance and Management Structure of the unit

The Department of Industry, Government of Bihar has proposed a Governance structure for the setting up and monitoring supervision of the unit. The governing body will meet monthly or quarterly for execution and monitoring the project progress.

The board will be chaired by Principal Secretary, Department of Industries as given below. The Chief Executive Officer will be appointed by the Operation and Management agency who will be representing the O&M partner.

#### Governance Structure of the proposed unit



### Suggested implementation plan

- Department will create the above mentioned facility at the Industrial Area Hajipur, Vaishali, Bihar on Bihar Industrial Area Development Authority land (5 Acres).
- IDA will select an Operation and Management Agency (O&M) for **Operating, Running and Management** of the facility under the Public Private Partnership arrangement under overall guidance of Department of Industries, Government of Bihar

- The appointed O&M agency will be required to run and maintain the facility created thereby ensuring the optimum utilization of the infrastructure for self use or job work
- IDA/Department of Industries will hand over the facility to the O&M partner for a period of 10 years or more (to be finalized at RFP stage based on inputs from applicants) which can be further extended by 5 years or more based on the performance of the O&M partner
- CFTRI to be the Technical Partner assisting the department in Selection of appropriate technologies
- IL&FS CDI has been appointed as PMC for support in implementation of the project
- The Cost of the project is proposed to be fully financed through Equity by State Govt fund.
- O&M agency will bring its own working capital for running of the facilities.

### Responsibility of the O&M partner

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The roles and responsibility of the O&M partner is as follows:

- The facility is being created with an objective to process the fruit and vegetable like litchi, mango, guava, banana, pineapple, potato, tomato, chilli etc.
- The unit is expected to procure the raw material preferably directly from the farmers/Co-operatives, Federations, FPOs.
- The O&M Agency will **operate and manage** the facility for a period of **10 years** to give an adequate opportunity for building up the backward and forward linkage. There will be an annual assessment of O&M performance. The renewal of the contract will be based on their overall performance during the period.
- The department will handover the facility in running condition to the O&M partner
- The O&M agency will have to bring his own team for operating and running the facility
- The O&M Agency will have to manage the day to day operation of the plan and will keep the Unit in the working condition.
- All the responsibility of the repair and maintenance during the tenure lies with the O&M Agency and needs to met by own funds of O&M agency.
- The O&M Agency will adhere to all the Terms and Conditions signed in the agreement with the IDA, Department of Industries, Government of Bihar.
- The O&M Agency will have the first right to reject the contract renewal post expiration of the contract agreement.

IDA may changes or modify the role and responsibility as per the Applicants feedback during the EOI meet.

## Broader scope of work

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The detailed scope of work are as given below:

- Recruitment and selection of manpower for operations and management of the facility
- Created backward linkage for procurement and processing of the fruit and vegetable
- Processing and marketing of the fruit and vegetable processed in the local and export markets
- Offer the facility for job work to other entrepreneurs depending the scheduled engagements
- Run the facility in profitable manner ensuring optimum utilization of facilities created
- Maintain, repair or replace the equipment or other infrastructure available in the premise as and when required depending on the day to day wear and tear of the facility
- Pay for the day to day operational expenses for running the facility
- Bring own investments or raise the working capital from financial institutions for running the facility or new infrastructure creation

## Responsibility of IDA

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- To provide the hindrance free access to O&M agency
- Provide all the required statutory clearance for operation and management of the facility
- Provide basic utilities like water and electricity

## Utilization of the asset provided to O&M

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- All the asset provided by the IDA will be only utilized for the above said purpose
- No movable or immovable asset will be used for other than running of the proposed facility

## Financial bid O&M

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No financial bid is being invited at EOI stage. The financial bid will be invited at the RFP stage however IDA would like to discuss the revenue models during the EOI meet to take the feedback of the Applicants on one of the three models:

- **Models I:** Fixed Rental Model - O&M will pay a fixed monthly/quarterly rental to IDA
- **Model II :** Revenue Sharing - O&M to share a fixed percentage of % of the revenue with the IDA on monthly/quarterly basis
- **Model III :** Part Fixed & Revenue sharing – O&M to share a fixed rental along with the fixed percentage of revenue with IDA

## Information for the Applicant

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### Eligibility for participation in the EOI

#### Following firms are eligible for participation in the EOI

- a. Existing Fruit and Vegetable Processors operating similar facility elsewhere in Bihar or any other part of the country
- b. Fruit, Vegetable or milk processors having established sales and distribution network
- c. State/Central government/Dairy Cooperatives / Dairy Federations/Fruit and Vegetable Exporters (fresh/processed)/Food Processing units other than fruit and vegetable processor/Farmers Cooperatives /Farmers Organizations
- d. FMCG company planning to diversify and enter into fruit and vegetable processing sector

In the second stage of Bidding i.e., the RFP stage, IDA shall issue RFP document to the interested Bidder. This RFP document will contain information about the Project, Bidding Process, Bid submission, Qualification and Financial Proposal requirements. The RFP shall have detailed Technical and Financial Criteria required for qualification. The RFP shall also have format for Financial Bids in which the interested Bidder shall furnish its Financial Proposal. The Price Bids of only those bidders who qualify in the Technical Bid evaluation shall be opened for evaluation and selection of the successful Bidder. The other details will be mentioned in the RFP stage.

### Submission of EOI:

IDA has adopted a two-stage process (collectively referred to as the "Bidding Process") for selection of the bidder[s] for award of the Project. The first stage (the "EOI Stage") of the process involves envisaging interest in the Project by submitting an Application in accordance with the provisions of this EOI (the "Applicants"). At the end of this stage, IDA shall forward the Request for Proposal (the "RFP") documents which shall seek Financial Bids with detailed Technical Qualification (the "Bid Stage").

In this EOI stage, applicants are required to submit documents as specified in against the standard formats as provided. EOI document can only be downloaded free of cost from <https://www.idabihar.com/category/tenders/>

Any queries pertaining to the project can be addressed to:

**Managing Director**

**INFRASTRUCTURE DEVELOPMENT AUTHORITY**

(A Government of Bihar institution)

First Floor, Udyog Bhawan, East Gandhi Maidan, Patna



Phone No: 0612-2675933, 2675935

Email: [md@idabihar.com](mailto:md@idabihar.com), [ppp@idabihar.com](mailto:ppp@idabihar.com) Website: [www.idabihar.com](http://www.idabihar.com)

### Submission of Queries related to EOI

IDA reserves the right not to provide answers to any or all queries raised by Applicants. The last date of submitting queries is 07/02/2019.

Applicant having any queries regarding the EOI and the Project can discuss the same during the applicant meet or can write to the above mentioned address provided in the RFP.

Notwithstanding anything contained in this EOI, IDA reserves the right to accept or reject any Application and to annul the Bidding Process and reject all Applications, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

At any time prior to the deadline for submission of Application, IDA may, for any reason, whether at its own initiative or in response to clarification.

### Key details for Applicants

Eoi Number	13/Eoi/IDA/19
Date of issue of EOI document	28/01/2019
Last date for submission of queries (if any)	07/02/2019
Last date of EOI submission	Time 16.00 Hrs Date : 20 Feb 2019
Language of bid	English <sup>1</sup>
Contact persons for queries	<b>Rupesh Kumar</b> <b>Contact No :</b> +91-7033591701 <b>Email ID :</b> <a href="mailto:rupesh.kumar@ilfsindia.com">rupesh.kumar@ilfsindia.com</a>
Address of for Communication and Submission of Bid	<b>Managing Director</b> <b>INFRASTRUCTURE DEVELOPMENT AUTHORITY</b> (A Government of Bihar institution) First Floor, Udyog Bhawan, East Gandhi Maidan, Patna Email: <a href="mailto:md@idabihar.com">md@idabihar.com</a> Website: <a href="http://www.idabihar.com">www.idabihar.com</a> , <a href="http://ppp@idabihar.com">ppp@idabihar.com</a> Phone No: 0612-2675933, 2675935 Fax No: 0612-2675934

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<sup>1</sup>Supporting documents and printed literature furnished by the Applicant with the Application may be in any other language provided that they are accompanied by appropriate translations of the pertinent passages in the English/ Hindi language. Supporting materials, which are not translated into English/ Hindi, may not be considered. For the purpose of interpretation and evaluation of the Application, the English/ Hindi language translation shall prevail.

## EOI Application Form

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### Letter of Application

(on letterhead, including full postal address, telephone, fax, e-mail address)

Date

To

**Managing Director**

**INFRASTRUCTURE DEVELOPMENT AUTHORITY**

(A Government of Bihar institution)

First Floor, Udyog Bhawan, East Gandhi Maidan, Patna

**Subject: Application against Expression of Interest for Operation and Management of** Fruit and Vegetable Processing unit with Pack house Facility being set up at EPIP, Near Hajipur Industrial Area, Hajipur, Vaishali, Bihar

Sir

1. With reference to the EOI document dated .....,we, having examined the EOI document and understood its content, hereby submit our Application showing our interest in the Project. The Application is unconditional and unqualified.
2. Attached to this letter is a duly filled format for the Expression of Interest a prescribed **INFRASTRUCTURE DEVELOPMENT AUTHORITY** along with copies of original documents defining:
  - a. The Applicant's legal status;
  - b. The principal place of business;
  - c. All documents as specified in EOI
3. IDA and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this application, and to seek clarification from our bankers and client regarding any financial and technical aspects. This letter of Application will also serve as authorization to any individual or authorized representative of any institution, to provide such information deemed necessary to verify statements and information provided in this application, or with regard to the resources, experience, and our competence.
4. This application is made in the full understanding that:
  - a. IDA reserves the right to reject or accept any application, cancel the process, and reject all applications; and

- b. IDA shall not be liable for any such actions and shall be under no obligation to inform the Applicant of the grounds for them.
- 5. The undersigned declare that it **has not been debarred or blacklisted by any state, central or public sector undertaking for any wrongful activities and similar services**
- 6. The undersigned declare that the statements made and the information provided in the duly completed application are complete, true, and correct in every detail.

(Authorized Signatory)

**Signature**

**Name**

**Designation**

**For and on behalf of .....**

## Detail of the applicants

<b>Company/Applicant Details</b>	
a. Name	
b. Country of incorporation	
c. Country/Place of Operations	
d. Address of the corporate headquarters and its branch office(s), if any, in India	
e. Date of incorporation and/or commencement of business	
f. Nature of Applicant (whether public or private company, proprietorship firm, partnership)	
Brief description of the Company including details of its main lines of business and proposed role and responsibilities in this Project	<b>To be provided as annexure</b>
Annual Turnover of their firm/firms for last three Financial Years.	<b>FY 16-17:</b> <b>FY 15-16:</b> <b>FY 14-15:</b>  <b>(Provide Copy of Audited Balance Sheet along with Income statement for above mentioned year as attachment)</b>
Details of individual(s) who will serve as the point of contact/ communication with IDA:	

<p>a. Name:</p> <p>b. Designation:</p> <p>c. Company:</p> <p>d. Address:</p> <p>e. Telephone Number:</p> <p>f. E-Mail Address:</p> <p>g. Fax Number</p>	
<p>Previous experience in Fruit and Vegetable Processing, if any</p>	<p>Please include details such as:</p> <ul style="list-style-type: none"> <li>a. Raw Material Processed</li> <li>b. Daily Processing Capacity installed (product wise)</li> <li>c. Total product marketed in the year</li> <li>d. Brand name</li> <li>e. Country of export (if any)</li> <li>f. Location of projects</li> <li>g. Years of Operations</li> <li>h. Distributor no</li> <li>i. Retailer No</li> </ul> <p>Attach details as annexure. Please attach supporting documents like Project Brochure, Operational Brochure etc.</p>

## DISCLAIMER

The information contained in this Expression of Interest document (the "EOI") or subsequently provided to Applicant(s), whether verbally or in documentary or any other form, by or on behalf of Infrastructure Development Authority any of their employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this EOI and such other terms and conditions subject to which such information is provided.

This EOI is not an agreement and is neither an offer nor invitation by IDA to the prospective Applicants or any other person. The purpose of this EOI is to provide interested parties with information that may be useful to them in the formulation of their application for expressing their interest pursuant to this EOI (the "Application"). This EOI includes statements, which reflect various assumptions and assessments arrived at by IDA in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This EOI may not be appropriate for all persons, and it is not possible for IDA, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this EOI. The assumptions, assessments, statements and information contained in this EOI may not be complete, accurate, adequate or correct. Each Applicant 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 EOI and obtain independent advice from appropriate sources.

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

IDA, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant, 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 EOI or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the EOI and any assessment, assumption, statement or information contained therein or deemed to form part of this EOI.

IDA also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Applicant upon the statements contained in this EOI.

IDA 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.

The issue of this EOI does not imply that IDA is bound to select and/or short-list Applications rather it is just to envisage the interest of Applicants in the Project. IDA reserves the right to reject all or any of the Applications without assigning any reasons whatsoever.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Application including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by IDA or any other costs incurred in connection with or relating to its Application. All such costs and expenses will remain with the Applicant and IDA shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Application, regardless of the conduct or outcome of the EOI Process.