

ANNEXURE – I

INSTRUCTION TO TENDERERS AND CONDITIONS OF TENDER

- 1) Auctioneers required to have their own website to display the e-auction & relevant documents & must be thorough in operating the e-auction.
- 2) At the time of e-Auction your representative along with laptop with internet facility must be required. The representative to be deputed throughout Maharashtra at the respective divisions. This is required for the purpose of showing the e-auction operations, decisions & onwards submission to the Auction Committee members up to issue of offer letters.
- 3) **Availability of Blank Tender Forms:** The blank Tender Forms (non-transferable), containing 28 pages can be obtained from the office of the General Manager (S&P), MSRTC, Central Office, Mumbai – 400 008. On production of Money Receipt towards payment of non-refundable tender fee of Rs.1125/- each set of Tender Documents. The tender fee to be deposited at the “Cash Section” of the above .office.
- 4) **Submission of offer:** Before filling up the Tender Form, Tenderer shall read all the instructions carefully. Tender should be submitted in sealed cover & Superscribed with tender number & the date of opening of the tender as mentioned in the tender schedule. The right to ignore any tender which fails to comply with the above instructions is reserved. All tenders should be sent by registered post or deposited in the tender box kept in this office. Tenders or modification to tenders received after specified time of opening will not be considered at all. Offer shall be clearly & legibly filled in either by ink or typewritten. There should be no overwriting. Tenderer shall ensure that all the information requested in the form of enclosures/ annexure/ schedules in the prescribed format is enclosed along with the duly filled up Tender Document. Wherever prescribed, the tender documents shall be duly authenticated with signatures of the authorized representative holding the ‘Power of Attorney’ along with seals. Tenders not signed as above are liable for rejection.

Offer shall be submitted in two separate bids. Duly filled up Tender Document along with all the prescribed enclosures & the requisite EMD shall be put in an envelope.

Tenderer is not permitted to submit more than one offer. Telegraphic offer or offers received in the form of Telex/ Fax Message/ Telegrams/ E-Mails shall not be entertained & shall not be considered for evaluation & are liable for rejections. Offers received in person or by Post after due date & time of submission shall not be opened & no correspondence will be entertained. MSRTC shall not be responsible for any cause arising out of such late submission of the offer.

- 5) **Opening of Tender:** The tenders/ offers received on or before stipulated date & time of submission shall be opened on 3rd February 2009 at 14.30 Hrs. at the “Office of the MSRTC” in presence of the Tenderers or their representatives who will be present at the time of tender opening. In case the date of tender opening happens to be a holiday, the tender will be opened on the next working day at the same time. Price Bids of only those tenders/ offers which qualify against the “Prequalification Criteria” (Sr. No.7A of Annexure – 1) will be opened immediately after scrutiny of the “Technical Bids”.
- 6) **Period of Contract:** The Successful Tenderer will be appointed as Auctioneers for conducting e-Auction/ Open Auction on behalf of MSRTC for a period of 3 (three) years.
- 7) **Scope of work:** The Scope of work for the activities to be performed by the successful Tenderer in e-auction are as below.

- 1) **Nature & Scope of service and responsibilities of the Auctioneer:**

- i) An auctioneer is required to have their own internet website to display the e-auction & relevant documents & must be thorough in operating the e-auction.

- ii) At the time of e-Auction your representative along with laptop with internet facility must be required. The representative to be deputed throughout Maharashtra at the respective divisions. This is required for the purpose of showing the e-auction operations, decisions & onwards submission to the Auction Committee members.
- iii) Training of both MSRTC personal & the bidders on the usage of e-auction System. The training imparted shall be properly structured to meet the different requirements of MSRTC & the bidders.
- iv) On acceptance of the Letter of Award in respect of this contract, the Auctioneer shall register MSRTC as "Seller" for the E-auction website of the Auctioneer without imposing any registration charges.
- v) The Auctioneer shall conduct e-auctions directly and in no case shall appoint any other dealer/ trader/ Auctioneer for this purpose.
- vi) The Auctioneer shall not bid for or purchase any lot, either by himself or through his representative or any person and shall not have or acquire any interest thereon for any e-auction conducted by him on behalf of MSRTC.
- vii) The material to be sold by way of e-auction are the properties of MSRTC and the Auctioneer shall have no authority or domain over the same.
- viii) The Auctioneer shall fix up the dates for e-auction in consultation with MSRTC on periodical basis.
- ix) Generally, MSRTC shall furnish the list of items to be disposed off Scrap serviceable/ unserviceable materials, absolute new spare parts and old buses (such as scrap of ferrous, non-ferrous metals, scrap of tyres and tubes/ bus body fittings/ used oil and chemicals/ electrical wire/ machinery spares/ Auto spares parts/ containers and scrap of buses and its bodies etc. However, the Auctioneer shall offer guidance for making proper lots so as to fetch better bids for the respective lots.
- x) The Auctioneer shall verify that the rates of statutory Taxes & Duties for respective lots under intimation to MSRTC.
- xi) Since e-auction is a web-based system, the Auctioneer shall ensure that maximum publicity of the e-auctions is achieved through Internet. The Auctioneer shall send individual notices by e-mail to all the prospective bidders registered with them.
- xii) MSRTC shall have free access to the e-auction site as & when required. For the purpose of security, the Auctioneer shall provide MSRTC with confidential password for accessing the e-auction site & witnessing the e-auction as a seller.
- xiii) After final revision of the list by MSRTC, the Auctioneer will co-ordinate with MSRTC to activate process at schedule time & date which will be decided mutually by MSRTC & Auctioneer.
- xiv) At closure of e-auction within scheduled or extended period as above, the Auctioneer's system shall automatically get locked so that the participants cannot enter their bids thereafter.
- xv) In the event of termination of contract by either parties at any stage during tenure of the contract or conclusion of contract period (with or without extension), the Auctioneer shall render their services within the scope of this contract till complete execution of all the sale orders booked/ issued on or before the date of termination/ conclusion.
- xvi) The Auctioneer shall take prior permission of MSRTC for instituting case in any Court of Law in the matters arising out of any sale/ Auction under this agreement.

2) **Responsibilities of MSRTC:**

- i) MSRTC shall provide the Auctioneer with the list of materials to be sold through e-auction at least 15 days prior to the scheduled date of e-auction. The list shall consist of details like location of material (name of the MSRTC Stores/ Site), Lot No. Description of material, quantity etc.
- ii) MSRTC shall allow the prospective bidders to inspect the material offered for e-auction, at the respective locations within 7 days prior to the date of e-auction.
- iii) MSRTC shall have complete access to the Auctioneer's website so that the e-auction proceedings can be witnessed.
- iv) On completion of e-auction proceedings & after receipt of e-auction statement from the Auctioneer, the MSRTC auction committee shall take decision in respect of acceptance or rejection of bids. Such decision shall be binding on the bidders as well as the Auctioneer. MSRTC shall not be bound to assign any reason for such acceptance or rejection of bids.
- v) On satisfaction of the Auction Committee, Sales intimation letters shall be issued to the successful bidders of the respective lots by the Auctioneer immediately under intimation to MSRTC. The successful bidders shall have to pay requisite amount of security deposit at the concerned Units where the material is located within 3 calendar days from the date of e-auction (excluding the date of e-auction).
- vi) If the successful bidder fails to pay the requisite amount of security deposit within the stipulated period of 3 days (or as stipulated otherwise), the Sale Intimation Letters issued to him shall be treated as cancelled and he shall have no claim over the lot thereafter.

7A) **Pre-Qualification Criteria:** Following will be the Pre-Qualification Criteria:

- i. The Tenderer shall have experience of minimum two years for conducting e-Auctions and Open Auctions for Central/ State Governments, Public Transport Undertaking, Large Scale industries & other reputed organizations.
- ii. The average per year minimum turnover in the auction line of the sale amount of the e-auction/ Open Auction conducted by the tenderer all over India during the preceding Two financial years i.e. 2006-2007 & 2007-2008 should not be less than Rs.25 Crore (Rupees Twenty Five Crores only) per year.
- iii. The tenderer shall furnish the details of the e-auctions/ Open Auctions conducted by him such as name of the firms for whom e-auctions/ Open Auction have been conducted, date of auctions, amount of auctions with brief description of commodities/ materials sold in auction in the proforma as per enclosed Annexure - "C-1" & Annexure - "C-2" to the tender document. These statements are titled as "Statement of details of e-auction/ Open Auction conducted by the tenderer for the year 2006-07 & 2007-08. The tenderer should submit the information in Annexure - "C-1" & Annexure -" C-2 " separately for the financial years – 2006-2007 & 2007-2008 respectively. The financial year 2006-2007 is considered from 1st April 2006 to 31st March 2007. Other financial years to be considered on similar lines. The tenderer shall prepare the abstract of total amount of two financial years & submit in the proforma as per Annexure – "C-3". The minimum average of turnover per annum of sale amounts of Auction shall be calculated as shown in Annexure -"C" & "D" . The tenderer may also furnish the details of e-Auctions/ Open Auction conducted by him during the period from 01/04/2008 to / /2008 separately in the prescribed format. However, the same shall not be considered for calculating the average turnover per annum.

- iv. The tenderer shall submit certificates from the state/ Central Govt. Department, Public Undertaking, Large Scale Industries & other reputed organization for which the tenderer have carried out e-auctions/ Open Auction for preceding two financial years. The certificate shall be issued on the letterhead of the respective organization with authorised signatory authority & in the proforma as per Annexure- "C-4"
- v. The details of the Auctions submitted in Annexure - "C-1" , Annexure - "C-2" & the abstract as per Annexure - "C-3" shall tally with the details described in the certificates issued by the respective organization as per Sr. No. (iv) above.
- vi. **EMD:** The tender should be accompanied by Earnest Money Deposit of Rs.1,00,000/- (Rupees One Lakh Only) in the form of Cash or Demand Draft from any Nationalized/ Scheduled Bank Payable at Mumbai only, drawn in favour of General Manager (S&P), MSRTC, Fund account. The tenders submitted without proper EMD shall be rejected. Technical Bid of such offers shall not be opened & shall not be considered for further scrutiny.
- vii. **Solvency Certificate:** The tenderer should be financially sound & shall submit solvency Certificate for an amount up to Rs.25,00,000/- (Rupees Twenty Five Lakhs Only) from any nationalized Bank or competent Revenue authority. Date of issue of such Certificate shall not be earlier than two months prior to the date of opening of the Tender. The tenderer shall submit declaration in the proforma as per Annexure- "C-5" to the tender document

viii. The tenderer shall also submit the documents pertaining to the following items:

1. Latest VAT clearance certificate.
 2. Latest photostat copy of their Income Tax Clearance Certificate.
 3. Bank account No. & address of the bank from where the tenderer is operating his Bank Account.
 4. Documentary Proof of registration under Service Tax.
 5. Documentary proof of registration under Shop & Establishment Act, Sales Tax of Maharashtra State & CST.
 6. Partnership deed/ any other document related to ownership of firm/ Company/ Proprietorship of the auctioneers establishment & power of attorney in favor of the person signing the tender.
 7. Technical details of Tenderers e-auction System.
- ix. **Validity:** The Tenderer shall keep his offer valid up to 180 days. Tenderer shall give declaration to that extent in the proforma as per Annexure -"C-6". The tenderer shall extend the validity of the offer if requested by MSRTC.
- 8) **Approximate Estimated Sale amount of the Auctions:** The approximate estimated sale amount of the auctions per year is Rs.45,00,00,000/- (Rupees Forty Five Corer Only) which is indicative only & may vary to any extent on either sides. MSRTC does not guarantee as to the value or quantity or stores which will be entrusted to the successful Tenderer auctions in any given period & no Claim will lie against MSRTC on the ground that services or successful Tenderer have not been utilized in fact.

After scrutiny of Technical Bids, if the tenderer/ offers comply with all above 7(A) pre-qualification criteria, the price bid of such qualified tenders/ offers will be immediately opened.

9) Commission charges of services:

- i) Tenderer should clearly quote single rate of the commission charges for e-auction and Open Auction in Price Bid as per Tender Rate Schedule enclosed to the Tender Documents for the services to be rendered by him in accordance with the 'auctioneering Agreement' (Annexure " B") The rate of commission shall be on percentage basis i.e. commission shall be payable to the successful tenderer as a

percentage of actual amount realized by MSRTC for the open auction and e-auction conducted by the successful tenderer.

- ii) Commission charges shall not be payable on the amounts of statutory Taxes and Duties, delayed payment charges, Ground Rent Charges, payments made by the purchaser but material not lifted and forfeited security deposits for the lots not lifted by the purchasers. In case of short delivery, no commission shall be payable on the value of short quantities.
- iii) The tenderer shall clearly quote the commission rate in figures & in words as well. In case of discrepancy in the two, the rate which is the lower one shall be considered as the rate offered including Service Tax if any.
- iv) The rate of commission quoted by the tenderer shall remain unchanged during currency of contract. However the statutory levies or Taxes imposed at any time after commencement of agreement by the Central/ State Government or any other authorities shall be payable by the respective parties as per prevailing stipulations.

10) Tenderers Offices and Staff:=1

The tenderer shall furnish the information regarding number of the offices maintained by them all over Maharashtra along with their addresses, telephone numbers, fax numbers, e-mail address etc. The list of the staff employed by them shall be furnished in the proforma enclosed at Annexure- "C-7".

11) Agreement:

The successful tenderer shall execute an agreement within 30 days from the date of award of contract in the form attached herewith as Annexure "B".

12) Security Deposit :

As a security for the due fulfillment of all his obligations under this agreement, the auctioneer shall deposit as a Security Deposit of Rs. 7,50,000/- (Rupees Seven Lakh Fifty Thousand Only) The Security Deposit is payable in the form of cash or Demand Draft of any scheduled Bank in the name of General Manager (S&P) MSRTC Fund Account. The Security Deposit will be liable to be forfeited for any breach of terms of this agreement/ Contract. No interest charges are payable by MSRTC on the Security Deposit. On successful execution of the contract the Security Deposit will be refunded.

13) Responsibility of the Auctioneer:

The Auctioneer shall be personally liable and responsible to MSRTC for any costs and expenses incurred or loss and damages suffered or likely to be suffered by MSRTC due to any misrepresentation or fraud committed by the auctioneer and/ or his employees or agents during the course of business arising out of this agreement. The Auctioneer shall agree & keep MSRTC harmless and indemnified from and against all costs and expenses incurred and all losses and damages suffered by MSRTC due to or as a result of any misrepresentation or fraud on the part of Auctioneer and/ or his employees or agents.

14) Acceptance of Tender:

MSRTC is not bound either to accept the lowest (or any) tender or to assign any reason for such rejection. MSRTC is not bound to disclose any analysis reports of the tender. MSRTC reserves the right to accept the tender for the entire work or the part of it. MSRTC may or may not split up and entrust the work to more than one agency. The tenderer on his part should bind himself to undertake the work awarded to him in part or whole at the option of MSRTC.

15) Rejection of Tender:

MSRTC reserves the right to reject any of the tender, which does not confirm to any of the conditions/ instructions etc. of the tender.

16) Refund/ Forfeiture of Earnest Money Deposit (EMD):

The Earnest Money Deposit as described at Sr. No.7A vi above, shall be returned to unsuccessful tenderer. However MSRTC shall not be responsible for any loss or depreciation that the tenderer may have to sustain while the EMD is in the possession of MSRTC, nor be liable to pay any interest thereon. Upon acceptance of the tender, the EMD shall be appropriated as a part payment towards required Security Deposit or shall be refunded to the tenderer if the Security Deposit is paid in full as per condition No. 12 above.

However, the EMD will be forfeited in full if the tenderer withdraws/ changes his offer before the expiry of validity of his offer or if the tender is accepted and the tenderer fails to furnish the Security Deposit as per condition No. 12 above.

Any clarification regarding this tender can be sought from the "General Manager (S&P), MSRTC, Central Office, Mumbai – 400 008

- 17) **Auctioning Infrastructure:** The tenderer must have adequate infrastructure to arrange the auctions of bigger volume of variety materials offered for disposal in an organization like Road Transport. Such infrastructures resources should be available to conduct auction through our Maharashtra & Personnel's should be well qualified & experienced in the highly intricate type of business to deal with auction. The tenderer must be well versed to the different related aspects of auctions such as lot making segregation, arrangements necessary to conduct auction in an highly profitable way, sensitive to various different situations & unpredictable problems etc & should have well trained staff to handle such situation/ all problems efficiently. The tenderer should also be well versed in conducting of auction, evaluating response of the purchaser for maximum return etc. The tender should give all details of the facilities & Manpower they have to conduct auctions.
- 18) **Auctioning Coordination:** The tenderer should have experience & ability to pursue the firms so as to ensure that the payments are realized in time from the successful bidders. He should be well conversant with the delivery procedure & all other related works & would be required to co-ordinate & assist the successful bidders as well as the corporation to have an effective & successful deal.
- 19) **Auction Location:** Minimum 3 to 4 auction in a year will have to be conducted at any place in Maharashtra State where MSRTC's stores are situated or where the material for auction is available & therefore, it must be specified in the tender whether the tenderer is in a position to conduct such auction throughout Maharashtra State, otherwise the tender will be liable to be ignored. List of location please see Annexure "C-8".
- 20) **JURISDICTION:** Any dispute or litigation arising out of or in connection with the terms of this contract or dispute regarding commission charges payable there under, including any suit to enforce the rights of either party under or in respect of this contract, shall be instituted exclusively triable by the Courts of competent ordinary jurisdiction within greater Bombay not withstanding that part of the cause of action may have arisen outside the jurisdiction of such Courts.

General Manager (S&P)

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