

The National Small Industries Corporation Ltd
203, Sri Datta Sai Complex, RTC X Roads,
Musheerabad, Hyderabad – 500 020
Ph. 040-27622515, fax – 040-27617777
Email:- bohyd@nsic.co.in
Document (Terms of Reference)

For

**Conduct the survey to assess the
requirement of Raw Material in the
Region/District/Cluster/Area to suggest
measures & ways to introduce the new
material and its source**

Last date of receipt of tender : 18-03-2015

Date of opening of Bid : 18-03-2015

(K. SRINIVAS)
SR. BRANCH MANAGER.

The National Small Industries Corporation Ltd
203, Sri Datta Sai Complex, RTC X Roads,
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No.

Date:

M/s

Sub- Invitation for conducting Survey for new raw materials.

National Small Industries Corporation Ltd. (NSIC) is an ISO 9001-2008 certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME). NSIC has been working to fulfill its mission of promoting, aiding and fostering the growth of micro, small and medium enterprises in the country. Over a period of five decades of transition, growth and development, NSIC has proved its strength within the country and abroad by promoting modernization, up gradation of technology, quality consciousness among MSMEs and strengthening their linkages with large enterprises and enhancing exports - projects and products from small enterprises.

NSIC carries forward its mission to assist small enterprises with a set of specially tailored schemes designed to put them in a competitive and advantageous position. The schemes comprise of facilitating marketing support, credit support, raw material support, technology support and other support services.

NSIC intends to conduct Evaluation study to assess demand of difference kind of raw materials used by the prominent industries/clusters/areas wherein there are number of units to make their finished products. A

Scientific study/survey has to be conducted to assess their requirement and demand of the raw materials, as stated in TOR (Term of Reference).

In this regard sealed Offers are invited from Government/ Semi-Government/Autonomous Bodies / reputed professional agencies / Institutions having experience of conducting studies/assignments related to the MSME sector.

Earnest Money Deposit of Rs 10000/- (Rupees Ten Thousand Only) will have to be submitted by the participating agency in the form of DD in favour of National Small Industries Corporation Ltd, payable at Hyderabad and will only be returned after selection of final bidder. Agencies registered with NSIC are exempted from the payment of EMD.

Request for Proposal (RFP) should contain Offers in sealed envelopes (marked as Market Survey for adding new materials) and should be addressed to Zonal General Manager

The Offers must reach the following address on 18-03-2015 by 15.00 hrs:

**Senior Branch Manager
National Small Industries Corporation Ltd.
(A Govt. of India Enterprise)
203, Sri Datta Sai Complex, RTC X Roads,
Musheerabad, Hyderabad – 500 020
Ph. 040-27622515, fax – 040-27617777
Email:- bohyd@nsic.co.in**

NSIC reserves the right to accept or reject any or all of the Offers received in response to the above referred invitation, without explaining any reason.

Terms of Reference

1. Background

The National Small Industries Corporation Ltd.(NSIC), a Government of India Enterprises under the Ministry of Micro, Small & Medium Enterprises (MSME), has been working for the development of Micro, Small & Medium Enterprises (MSMEs), throughout the country. NSIC has drawn a strategy to assist MSMEs in enhancing their competitiveness with a set of specially tailored schemes.

Amongst the various schemes through which NSIC facilitates the MSEs, is 'Raw Material Distribution' wherein NSIC has vast experience and expertise towards distribution of basic raw material like Aluminum, Copper, Iron & Steel etc. from the primary producers to small scale industries. The major raw materials being presently facilitated by NSIC to the MSEs are:

- i. Aluminium,
- ii. Copper,
- iii. Iron & Steel,
- iv. Paraffin Wax

2. Salient Features of present Raw Material Distribution Scheme

- NSIC enters into an Memorandum of Understanding (MOU) and or arrangement with the bulk manufacturers of raw materials for distribution of their raw materials. Accordingly, NSIC enters into MOU with National Aluminum Company Ltd., Bharat Aluminum Company Ltd., Sesa Sterlite (Copper) and Chennai Petroleum Corporation Ltd. etc. Under this arrangement, annual quantities are decided which NSIC undertakes to source through the bulk manufacturers for providing the same to the MSEs. For obtaining the supply of these quantities (which are transported directly from bulk producers to the works of MSEs) NSIC makes the payment upfront to the bulk manufacturers and in turn collects the same from the MSEs i.e. the responsibility for collecting the payment from the MSEs lies with NSIC. Compliance of all sales tax / VAT etc. lies with NSIC. In turn, on fulfillment of the lifting of the quantities as agreed in the MOU, the bulk manufacture(s) passes on the agreed discounts to NSIC.
- Ministry of Steel also has appointed NSIC as one of the nodal agency for distribution of Iron & Steel (being manufactured by SAIL and RINL) on pan India basis. While NSIC submits the requirements of the small industry to the bulk manufacturers (SAIL&RINL) by making the advance

payment and lifting the material to its godown. The material is then distributed to MSEs to their requirement at producer's rate. And the charges for handling the material are being made by Ministry Of Steel.

- The steady & timely availability of the raw materials to the Micro & Small Enterprises is important for their smooth operations. In this regard, NSIC has made arrangements with bulk manufacturers like National Aluminium Company Ltd, Hindustan Copper Ltd, Hindustan Zinc Ltd, Bharat Aluminium Co, Sterlite Copper and Indian Oil Corporation Ltd etc. for providing godown and handling facilities for their products at different locations. This arrangement facilitates the industry to get the raw material at ease and closer to their works.

3. Credit Support

- In addition, the ready availability of finance to enable the MSMEs to tide over their problems of working capital gaps has been the strong feature of attraction for Micro & Small Enterprises to reach out to NSIC for availing raw material assistance with finance. NSIC enables Micro & Small Enterprises enjoy a credit support at most economical rate which ensures raw materials availability together with finance

4. Objective(s) of the Study

- It has been observed that in the last five years, the manufacturing MSME units demand for the raw material has increased substantially but the same has not translated into business with field offices.
- In addition to above, it has also been felt that there numbers of raw materials consumed by MSME units and the same has not been included into the portfolio of raw material distribution, other than mentioned at Sl.No.1.
- Also, to explore/examine the purchasing cycle of raw material, source of raw material, payment terms including credit extension, transportation, statutory requirements and discount etc. by MSME units in the zone/state.
- Analyzing the reported benefits that the beneficiary MSMEs of the scheme of NSIC derived.

- To suggest possible measures to be adopted by NSIC in order to add new raw material consumed by cluster of units in a particular area and or number of units consuming same raw material in one industrial area/state/ and also to popularize the schemes among other MSMEs (non-participants) in order to enhance their off take among them including any modifications to be carried out with regard to scheme contents & features, its implementation procedures, delivery mechanism etc.
- Thus the main objective of the proposed study is to assess the requirement of new raw material(s) produced locally or outside the state, to be added in the portfolio of raw material distribution by NSIC

5. Methodology for conducting the study

- Preparation of Questionnaire by the agency in consultation with NSIC's respective ZGM for contacting MSMEs.
- Obtaining Contact List of MSMEs from the Industry Associations/DIC/ banks/ Industry Department of the State and or from NSIC including details e.g. Enterprise name, contact address, contact persons, schemes availed earlier, contact phone numbers etc.
- Personal contact on sample basis. However, it should be ensured that the sample size of the study should be at least 50 to 100 MSMEs.
- Analysis of Data received and evaluating the same in terms of the Objective of study as mentioned above.
- Suggesting measures to be adopted by NSIC to be able to add new raw material(s) in their branch/zone and or on PAN India basis.
- Preparation and Submission of Draft Report.
- Submission of Final Report after incorporating comments from NSIC.

6. Time Schedule & Reports

The study is to be completed within 8 weeks from the date of award of assignment. It is expected that the following assignment schedule for reporting may be adhered to:-

S No.	Project Activity	Weeks							
		1	2	3	4	5	6	7	8
1	Desk Research & Finalization of questionnaire in consultation with NSIC	√	√						
2	Field survey			√					
3	Data compilation & Analysis					√			
4	Preparation & Submission of DRAFT REPORT comprising of findings, suggestions & measures to NSIC						√	√	
5	Submission of FINAL REPORT to NSIC								√

7. Deliverables

- a. 2 copies of draft report to be submitted within seven weeks from the date of assignment of work.
- b. 5 copies of final report along with soft copy within 8 weeks from the date of assignment of work.

8. Eligibility Criteria for Applicants

- The applicant should be a registered Firm/ Company etc. with PAN Number and Service Tax Number and should be an Income Tax Assesse.
- The Applicant should be in existence for more than FIVE YEARS and primarily engaged in offering consultancy services & carrying out studies/surveys related to industrial and financial sectors for promotion and development of Micro Small Medium Enterprises (MSMEs).
- The Turnover of the Applicant should at least be Rs.5 lakhs per annum during each of the last three financial years i.e. 2011-12, 2012-13 and 2013-14 from consultancy assignments only.
- The Applicant should have executed at least TWO significant assignments , studies/surveys related to Monitoring, Evaluation , Impact assessment of Projects/ Schemes of Government Ministries/ Departments/ Agencies/ Organizations targeted at MSMEs during last three years, out of which:
 - a. At least ONE assignment should be of value more than Rs.2 lakhs (inclusive of service tax).
- The Applicant should be located in RESPECTIVE ZONE/BRANCH for better coordination with Zonal office NSIC, during the course of execution of the assignment.

9. Data to be provided by NSIC

A list of Zonal & Branch offices of NSIC with contact details of official handling the scheme will be provided to the selected agency at the time of conducting the survey. Besides the geographical area will be indicated by NSIC

10. Penalty

Any delay in submission of draft report by the agency (unless a written permission is accorded by NSIC), will attract a penalty of 5% of the contract value per week subject to a maximum of 25% of the amount of the contract.

11. Payment

1 st Installment	40% of the quoted amount on receipt of the Draft Report along with the payment request
2 nd & Final Installment	Balance 60% of the quoted amount on receipt of copies of Final Report as Approved by NSIC along with the payment request

12. Other Terms And Conditions

1. The assignment should be completed within the stipulated time in the Award letter. Delay in submission of the report beyond the stipulated time will attract penalty as mentioned above. For factors beyond the control of the agency, suitable extension in time may, however, be granted at the written request of the agency. However, the decision of NSIC shall be final and binding on the agency.
2. The total fee for the study to be quoted by the agency will include service tax and other taxes, if any and all other expenses to be incurred during the course of conducting the survey. The liability of payment of the tax shall be of the agency conducting the study.
3. The draft/ final reports and the contents thereof would be the intellectual property of NSIC and would not be published by the concerned agency without prior approval of NSIC.
4. If the performance of the agency during the conduct of the study is not found to be satisfactory, the award of the assignment can be terminated and the amount already paid to the agency shall be recovered.
5. The raw data/ processed data/ findings should not be disclosed by the agency to any third party without prior approval of NSIC.
6. Earnest Money Deposit (EMD) of Rs.10000/- (Rupees Ten Thousand Only) in the form of Demand Draft in favor of "National Small Industries Corporation Ltd.", payable at Hyderabad will have to be submitted by each tender participating agency.
7. The validity of the Offers including charges for the study must be for at least six months from the date of tender opening.

13. Evaluation of Proposals

- The evaluation of the proposals will be gauged on parameters such as years in existence, annual turnover, experience of firm in executing assignments of similar nature particularly related to MSMEs , Qualifications, experience & expertise of proposed Team members, clients etc.

14. DOCUMENTS TO BE SUBMITTED BY BIDDERS

Following documents must accompany the Bid:

- a.** Demand draft / Pay order of Rs. 10000/- (Rupees Ten Thousand only) in favor of "National Small Industries Corporation Ltd." Payable at Hyderabad.
- b.** Registration Certificate of Applicant Firm/Company etc.
- c.** Attested copy of Permanent Account Number (PAN) card.
- d.** Attested copy of Service Tax Registration Certificate.
- e.** Copies of Income Tax Return of the Applicant for the last 2 yrs (2011-12 and 2012-13).
- f.** Copies of Work Orders/Contracts/Completion Certificates for FIVE assignments and **One** assignment of similar nature executed for

Annexure A

CONSULTANT'S ORGANIZATION AND EXPERIENCE

A – Consultant's Organization

[Provide here a brief note (not more than two pages) description of the background and organization of your entity and each associate, if any, for this assignment.]

B – Consultant's Experience

[Using the format below, provide separate information on each of the SIX assignment as per Eligibility criteria if done.

**1. Assignment name:
Value of the contract (in Rs.)**

Country:

Location within country:

Name of client:

Address:

Start date (month/year):

Completion date (month/year):

Assignment Description:

Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- Made misleading or false representation in the forms, statements and attachments submitted in proof of the qualification requirement at above.
- Records of poor performance such as abandoning the work, not properly completing the contract, inordinate delay in completion, litigation history or financial failure etc.
- Their business banned by any central / state govt., departments / public sector undertakings or enterprises of central / state govt.
- Not submitted all the supporting documents or not furnish the relevant details as per the prescribed format.

- Conceal any information required to be furnished as per the offer conditions or make misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements.
- No condition / deviation which is either additional or in modification of the offer conditions shall be included in the offer. If the offer contains any such condition or deviation from proposed condition, the offer is liable to be rejected.
- Record of adverse performance of the bidder such as termination of contract awarded to him and completion of balance works at his risk and cost / banning of business with the bidder by any of the central / state govt., departments / public sector undertakings or enterprises of central / state govt. will weigh against the qualification of the bidder for the award of the contract and may lead to rejection of the offer.
- NSIC does not bind itself to accept lowest or any other offer and reserves the right to reject lowest or any or all offers without assigning any reasons whatsoever. Decision of NSIC shall be final and binding on the entire bidders.
- NSIC further reserves the right to cancel the bidding process at any time prior to award of contract without thereby incurring any liability to the affected bidder or bidders on account of NSIC's such action.

CONSULTANT'S FINANCIAL PROPOSAL

(a) Cost of the Study/Survey : Rs

(b) Service Tax: Rs.

(c) Total Cost (a+b): Rs.

Note: No separate payment towards overheads, equipment, accommodation, procurement of primary and /or secondary data, necessary travel (if any), etc. shall be allowed.