

# **TERMS OF REFERENCE**

For

Feasibility Study for Utilization of Vacant Land  
at  
Mancheswar Industrial Estate, Bhubaneswar

**The National Small Industries Corporation Ltd.**  
**(A Government of India Enterprise)**  
**NSIC Bhawan, Okhla industrial Estate**  
**New Delhi – 110 0020**

**Tel. no. 011- 26910709**  
**Telefax: 011- 26920911**

**website: [www.nsic.co.in](http://www.nsic.co.in)**

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## **TERMS OF REFERENCE**

### **1. Background**

The National Small Industries Corporation Limited (NSIC), a Govt. of India Enterprise was set up in 1955 with a mission to promote and foster the growth of Micro Small and Medium Enterprises and industry related small-scale services/business enterprises in the country. Over a period of five decades of transition, growth and development, NSIC has made its mark, both within and outside the country, through modernization and up-gradation of technology, marketing, quality consciousness, strengthening linkages among large and medium enterprises and boosting exports of projects and products from small scale enterprises.

NSIC with its head quarter at New Delhi operates through 123 offices spread across the country. NSIC carries forward its mission to assist micro, small and medium enterprises through a number of schemes designated to put them in a competitive and advantageous position.

Keeping in view the specific requirements of micro-small and medium enterprises in various regions of the country, NSIC has also established 'Technical Services Centers' at eight different locations to cater to the technological needs of the micro, small and medium enterprises located in the respective regions.

### **2. NSIC, Mancheswar Industrial Estate, Bhubaneswar**

NSIC has a 1.026 acre (4152.07 sqm) vacant plot bearing no. 6 at Mancheswar Industrial Estate, Bhubaneswar and intends to develop this vacant land for generating revenue for NSIC by establishing a commercially viable project.

### **3. Objective**

The main objective of the feasibility study is to assess the industrial and other potential and opportunities for micro, small and medium enterprises in Mancheswar Industrial Estate, Bhubaneswar and in the surrounding areas and based on the findings of the study to identify the best uses for the available vacant land and available idle infrastructure for the promotion and development of MSMEs and to develop a financial model for establishment of the proposed project.

In view of the above, NSIC intend to assign the task of identifying suitable project and prepare a detailed project report (DPR) for establishing the said project for gainful utilization of the vacant land and available infrastructure.

### **4. Scope of Assignment**

- 4.1 Study the current status of MSMEs in the region, their requirements, problems as well as the potential for future development of MSMEs/ IT or ITES companies and their projected requirements.

- 4.2 Market survey to determine the needs of MSME/ IT or ITES sector in the region/surrounding areas and the infrastructure required to meet the same.
- 4.3 To assess and identify the demand and nature of activities for optimum utilization of the existing plot.
- 4.4 To study the Master Plan/ Building Bye-Laws of the region prepared by the concerned authority
- 4.5 To determine the land use in consultation with the concerned local/municipal authorities.
- 4.6 To study the trend of market rate of lease rental of commercial/ IT space in the vicinity during last two years, current rates as well as the likely rates in the coming 2-3 years and to obtain a qualitative feed back from the property consultant/estate agents for assessment of the same.
- 4.7 Conduct a survey so as to ascertain the exact length of the boundaries of the plot and depth of the natural ground level with respect to the road level.
- 4.8 Based on the outcome of the market survey, technical study and feasibility analysis if the proposed project requires a change of land use, then the possibility, time-frame and financial implication of getting the land use changed is to be ascertained from the concerned local authorities and incorporated in the report/ recommendation.
- 4.9 Develop a conceptual master development plan for the proposed project. The development plan for making the optimal use of the available land should provide for setting up a commercially viable project. Architectural floor plans and elevation of the proposed structure(s) is also to be given. While planning for the project, the concept of 'Green Rating for Integrated Habitat Assessment' (GRIHA) should also be incorporated necessary for obtaining a minimum 3 star rating.
- 4.10 Activity-wise project implementation schedule in the form of a PERT chart.
- 4.11 Study various financing models for implementation of the project and develop an optimal model for its financial closure and making it viable.

## 5. **Methodology**

- 5.1 Site visit of the plot and study of various municipal codes for zoning, setbacks, height restrictions, ground coverage, open areas, parking requirements etc., and requirements related to change of landuse, map approval, statutory fees/ deposits etc.
- 5.2 Analysis of the industrial activities of the surrounding areas, discussions with the MSMEs/ IT/ ITES in the locality in determining the background, activities and goals of the proposed project and optimum utilization of the existing infrastructure.
- 5.3 Identify specific sectors, associations, Central & State Govt. entities including but not limited to Directorate of Industries/ District Industries Centre, IDCO (Orissa Industrial Infrastructure Development Corporation) etc. (minimum sample size of 20 entities and minimum of 10 regional entities) and meet with the concerned officers/officials/ entrepreneurs in determining their potential needs and interest of MSMEs/ IT/ ITES.
- 5.4 Discussions with cross-section of micro, small and medium industrial units and small business entrepreneurs/ IT/ITES located in the nearby area at least for 300 sample units. Copy of the feedback obtained during the survey should be enclosed with the report.
- 5.5 Structured questionnaire will be developed to cover the following areas also including other important information as deemed fit:
  - Willingness of the industrial units to shift their establishment to proposed locations.
  - Required facilities in the centre.
  - Price perceptions (lease rentals etc.) about this location, etc.
  - Demand and nature of activities for optimum utilization of existing infrastructure.
- 5.6 Discussions to be held with few real estate brokers around these locations to get an idea of prevailing lease rentals for office/ IT units/ commercial properties in the area.
- 5.7 Conduct market research by evaluating the local geographical area, site conditions, demand & supply, competitive factors through direct and indirect sources.
- 5.8 The conceptual/ development plan should be designed for the optimal use of the available land after identifying the suitable model and also based on prevailing zonal norms, with details of built up area and supporting parking and infrastructure facilities.

- 5.9 Identify the cost of construction including supporting infrastructure based on CPWD Delhi Plinth Area Rates-2007 with applicable cost index for Bhubaneswar and develop sustainable financial models for construction of the project.

## 6. **Eligibility and Qualification Requirements of the Bidders**

- 6.1 Bids for conducting feasibility study are invited from experienced consultants having done at least one work with project cost of minimum Rs. 10.00 crore (i.e. cost of the project suggested in the DPR) of similar nature during the past five years. Similar nature of work means the preparation of detailed project report for commercial/ multi-storeyed commercial /real estate projects. To be eligible to qualify for award of work, the bidders are required to submit the following documents in support of their fulfillment of the qualifications requirements:
- Letter of submission of offer as per proforma attached.
  - Copies of Income Tax Return etc. for the last three financial years.
  - The bidder should enclose copy of the work order/ completion certificate of at least one work completed with minimum project cost of Rs. 10.00 crore of similar nature during the past five years. Copy of the TDS certificate in support of payment received towards the fee for preparing the DPR along with a copy of the DPR should also be enclosed.
- 6.2 Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they submit conditional offer or if they modify any terms & condition of the Terms of Reference(TOR).
- 6.3 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 all the bidders.
- 6.4 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.
- 6.5 The Terms of Reference (TOR) duly completed along with Earnest Money Deposit (EMD) of Rs. 15,000/- (Rs. Fifteen Thousand only) in form of demand draft/pay order in favour of the "National Small Industries Corporation Ltd." payable at New Delhi from any Nationalized/ Scheduled Bank will be submitted along with the technical bid. Any tender without EMD in the prescribed form shall be summarily rejected.

## **7 Site Visit**

The bidders are advised to visit and examine the site and its surroundings and obtain for themselves at their own responsibility, all information that may be necessary for preparing the bid. The cost of any such visit shall be entirely at the bidder's own expenses.

## **8 Responsibilities of NSIC, Cuttack**

NSIC, Cuttack would make available to the bidders the relevant data and the information on its existing set up, infrastructure and other details as may be required by the bidders for conducting the proposed study.

## **9 Validity**

9.1 Offers shall remain valid and open for acceptance for a period of 4 months from the date of opening of the bid. No modifications in the terms and conditions of the offer would be acceptable.

9.2 In exceptional circumstances, prior to expiry of the original validity period, NSIC may request the bidder for specified extension in the period of validity. The request and the responses thereto shall be made in writing or by cable or fax. However, the bidder agreeing to the request will neither be required nor be permitted to modify his offer.

## **10 Submission of offers**

10.1 Offers complete in all respect consisting of Proforma-I & II (enclosed herewith) shall be submitted in the following manner: -

### **i) Envelope-I Technical Bid**

This envelope should contain the following:-

- a) Terms of Reference (TOR) duly signed and stamped on each page as a token of acceptance.
- b) Letter of submission of the Offer as per Proforma-I enclosed with the TOR alongwith all the relevant documents as mentioned at Para 6.1 above.
- c) Earnest Money Deposit as per Para 6.5 above.

**ii) Envelope-II - Price Bid**

This envelope should contain the following:-

- a) Price bid as per proforma –II enclosed with the TOR

10.2 Both the envelopes i.e. Envelope I & Envelope-II should be placed in one envelope and properly sealed, the sealed offer shall be received at the following address on up to 15.00 hrs. on 06.07.2011:

The General Manager (Works)  
NSIC Ltd., NSIC Bhawan,  
Okhla Indl. Estate,  
New Delhi- 110 020

10.3 Envelope-I marked Technical Bid shall be opened at 15.30 hrs. on 06.07.2011 in the presence of the representative who choose to be present.

10.4 Envelope-II marked Price Bid of technically qualified bidder only shall be opened at a later date to be intimated to the qualified bidders.

**11. Award of Work**

11.1 NSIC will award the work to the bidder who meets the eligibility criteria as mentioned at Para 6 above and who has offered the lowest Fees provided further that the bidder has the capability and resources to carry out the assignment effectively. Offers of the bidders, who have not been found to meet the qualification criteria on the basis of the documents submitted to NSIC, will be rejected (Also refer conditions listed at sub para 6.2 above).

11.2 Time is essence of the contract. The bidder has to complete the work with in the schedule time as stated in the offer at para 13 below.

**12 General**

12.1 The bidder's operations and proceeding in connection with the assignment shall at all times be conducted during the continuance of contract in accordance with the laws, ordinance, rules and regulations for the time being in force. The bidders shall further observe and comply with the bye laws and regulations of the Govt. of India & State Govt. and Municipal and other authorities having jurisdiction over area involved in connection with the assignment or site and over operations such as those as carried out by the bidders. The Bidder shall give all notices required by such bye-laws and regulations. The hospital and medical regulation in force for the time being shall also be complied with by the bidders/bidder and his /their workman.



- 12.2 The EMD of the successful bidder shall be retained by NSIC as Security deposit. EMD of unsuccessful bidders shall be refunded without any interest.
- 12.3 The successful bidder shall deposit 5% of the total contract fee towards the security deposit after adjusting the EMD already with NSIC. The Security Deposit shall be refunded to the consultant without any interest after one month of successful completion of the work.
- 12.4 Any modification/ corrigendum of this TOR document shall be displayed on our website only. Bidders are therefore requested to visit the related section of the website on regular basis till the due date of issue of tenders/ TOR to view any modification/ corrigendum issued in this regard.

### **13 Time Schedule**

The entire assignment shall be completed as per the following reporting schedule from the date of entering into the contract agreement:

- |                               |  |
|-------------------------------|--|
| End of 4 <sup>th</sup> Week : | First draft report as per scope of work mentioned at Para 4 above. First presentation to NSIC of the findings. |
| End of 6 <sup>th</sup> Week : | Second draft report with all items of the scope of work. Second presentation to NSIC of the findings.          |
| End of 8 <sup>th</sup> Week:  | Final Report.  |

### **14 Deliverables**

The final deliverable shall be a report (Final Report) that contains the following. This should be strictly in accordance with the "Scope of Work" as out lined at para 4 above:

- A report on the present status, potential for development and requirements of MSMEs/ IT or ITES in the region.
- Architectural Floor Plans, Elevations and the layout for the proposed project, taking into account the FAR and coverage allowed in the targeted area.
- Preliminary cost estimate of the project based on CPWD Delhi Plinth Area Rates-2007 with applicable cost index for Bhubaneswar.
- Project Implementation Schedule in the form of a PERT chart.
- A copy of the applicable Building Bye-Laws and Master Plan issued by the concerned local authority.
- Estimate of annual revenue, based on prevailing/acceptable prices.
- Estimate of running costs.

- Profitability analysis for next ten years. The profitability statement will clearly indicate the different components/basis considered while working out the profitability, revenue and expenditure under various heads e.g. running expenses, maintenance charges, house keeping, security, municipal taxes, electricity, water etc.
- Break even point.
- Pay back period.
- Internal Rate of Return (IRR)
- Sensitivity analysis.
- Debt Service Coverage Ratio (DSCR)
- A self-sustaining financial model and revenue forecast for the development.

## **15 Reports and Presentations**

The reports and presentations include the following:

- 15.1 First Draft Report, First Presentation, Second Draft Report, Second Presentation, Final Report at NSIC, H.O., New Delhi and Updated Final Report, Final Presentation.
- 15.2 All reports and presentations shall be delivered as per the reporting schedule mentioned in para 13 above. Any delay in submission of the reports or the presentations without due approval of NSIC shall attract a penalty of 5% of the contract sum per week, but shall not exceed 25% of the total contract amount.
- 15.3 Two copies of all draft reports along with the first & second presentation printouts shall be submitted along with all electronic files (in editable format) on five CDs and four copies of the final report along with the final presentation printouts shall be submitted along with all the electronic files (in editable format) on ten CDs. The CDs should be properly indexed and a catalogue giving contents of all CDs shall be attached with the CDs.

## **16 Payment**

- 16.1 20% of the contract amount shall be paid upon completion of the first presentation (including submission of the first draft report) to NSIC.
- 16.2 20% of the contract amount shall be paid upon completion of the draft final report (including submission of the second draft report and the second presentation) to NSIC.
- 16.3 60% of the contract amount shall be paid upon approval of the final report by the concerned authorities (including presentation at NSIC H.O. and submission of updated final report).

## **17 Other terms and Conditions**

- 17.1 Time extension for completion of the assignment or for the submission of the reports or presentations shall be granted by NSIC in writing at the written request of the bidder only for factors beyond the control of the bidder.
- 17.2 NSIC shall not pay any extra amount for any escalation in the cost of the assignment even if the time extension for completion of the assignment is granted.
- 17.3 Applicable taxes shall be deducted by NSIC from all payments.
- 17.4 If the performance of the consultant during the assignment is found to be unsatisfactory, the assignment may be terminated and the amount already paid to the consultant shall be recovered.
- 17.5 All the expenditure incurred by the consultant for preparing the DPR (including visits required for market survey etc.) shall be borne by the Consultant and no claim on this account of any kind shall be admissible.

## **18 Confidentiality**

The draft reports, presentations, final reports, all findings, research and the contents thereof shall be the intellectual property of NSIC and shall not published, shared with the others, or used for any other purpose by the bidder without prior approval of NSIC. All these materials (Hard copy as well as soft copy) should be handed over by the bidder to NSIC immediately after completion of the assignment by the bidder.

## **19 Arbitration And Laws**

### **Arbitration:**

- (a) If any dispute or difference arises between Corporation and the Consultant with regard to the construction, meaning and effect of these presents or any part thereof or any other matter under these presents like interpretation or termination of this agreement, the same shall be referred to the sole arbitration of the Chairman of the Corporation or such officer as he may appoint to be the Arbitrator. There would be no objection that the Arbitrator is an employee of the Corporation, that he had to deal with the matters to which this agreement relates or that in the course of his duties as an employee of the Corporation he has expressed his views on all or any of the matters in dispute or difference. The award of the Chairman or the officer so appointed by him shall be final and binding on the parties to this agreement.

- (b) In case, the arbitrator so appointed by the Chairman of the Corporation is transferred, dies, neglects or refuses to act as an arbitrator or resigns or is otherwise unable to act for any reason whatsoever, it shall be lawful for the Chairman to appoint another arbitrator in place of such arbitrator in the manner as aforesaid. Such other person shall be entitled to proceed with the reference from the stage where the earlier arbitrator left the proceeding.
- (c) The venue of the Arbitration shall be at Delhi or at any other place where the Regional/Zonal/Branch Office of the Corporation is situated, at the discretion of the Chairman and the court at the respective places shall have exclusive jurisdiction to decide the matter relating to the Arbitration referred to the above.
- (d) The Indian laws shall govern this contract for the time being in force. The courts at New Delhi/Delhi only shall have the jurisdiction.

**LETTER OF SUBMISSION OF OFFER****(TO BE TYPED BY THE BIDDER ON THEIR FIRM'S LETTER HEAD)**

To:

Name of the work: \_\_\_\_\_

Ref : Offer No. \_\_\_\_\_

Dear Sirs,

1. Having examined the conditions incorporated in the offer document for the execution of the above named work and having visited and examined the site of the said work, I/We the undersigned, offer my consultancy for the sum as indicated in the offer.
2. If this offer is accepted, I/We undertake to commence the work within 10 days of issue of the Letter of Award for the work and further undertake to complete and deliver the whole of the works comprised in the contract within 8 weeks from the date of issue of Letter of Award.
3. I/We agree to abide by this offer for a period of 4 months from the date of opening of the bid/or such extended period as may be mutually agreed of the Instruction to Bidders and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
4. Unless and until an agreement is prepared and executed this offer together with your written acceptance thereof shall constitute a binding Contract between us.
5. We understand that you are not bound to accept the lowest or any offer you may receive.
6. Name of the partners of the firm authorized to sign

\_\_\_\_\_  
\_\_\_\_\_

Name of the person having power of attorney to sign the contract (Certified true copy of the Power of Attorney should be attached)

**7. Correspondence address of the Consultant:-**

(The bidder should write his address and other details below at which the correspondence shall be made regarding this offer. in case of any change in the address provided below, Bidder has to inform NSIC immediately).

a) **Correspondence Address:-** \_\_\_\_\_

b) **Telephone No. (along with STD Code):-** \_\_\_\_\_

c) **Fax No. :-** \_\_\_\_\_

d) **Name of Contact Person:-** \_\_\_\_\_

e) **Mobile No.:-** \_\_\_\_\_

All the correspondence shall be made by NSIC at the above provided address/phone/Fax numbers only.

Yours faithfully,

Signature(s) of the Consultant(s)

Permanent address .....

Local address .....

The Bidder is to fill up the blanks in the above form before signing and submitting the offer.

**PROFORMA-II****PRICE BID**

I/We hereby agree to render consultancy services and preparation of Detailed Project Report for NSIC Ltd., for Plot No. 6, Mancheswar Industrial Estate, Bhubaneswar as per the scope of work defined in the offer and also agree to abide by all the terms and conditions put forth in the said document enclosed and my/our consultancy fee for the above assignment will be Rs. \_\_\_\_\_ (Rupees .....only) plus service tax as applicable as lump sum fee. The above fee shall remain firm till the completion of the assignment in all respect and shall be valid as per clause no. 13 of the TOR or extended time, if any.

(Authorized signatory along with seal)