

**OFFER DOCUMENT FOR
CONVERSION OF SKIM/WHOLE MILK TO SKIMMED MILK POWDER, GHEE &
PASTEURIZED WHITE BUTTER BY STATE MILK FEDERATION/ MILK UNION.**



THE ODISHASTATE CO-OPERATIVE MILK PRODUCERS' FEDERATION LTD.

D-2, SAHID NAGAR.BHUBANESWAR

March- 2021



**The Odisha State Cooperative Milk Producers' Federation Ltd.,
D-2, Sahid Nagar, Bhubaneswar-751 007.
Phone No: 0674-2544576, 2546030, 2546121, 2540417, 2540273.
Fax : 0674-2540974
E-mail : omfed@yahoo.com Website: www.omfed.com**

NOTICE INVITING OFFER

OMFED invites Offers for conversion of Skim/Whole milk to Skimmed Milk Powder, Ghee & pasteurized White Butter. Interested Milk Federation/Milk Unions may submit their offer at above address with complete technical details including existing product manufacturing facilities, rates, terms & conditions etc. The last date and time for submission of offer is **dt.12.04.2021 till 14.00 hours**. The offers shall be opened on **12.04.2021 at 15.00 hours**.

**The Odisha State Cooperative Milk Producers' Federation Ltd.,
D-2, Sahid Nagar, Bhubaneswar-751007.**

SCHEDULE – I

The Odisha State Cooperative Milk Producers' Federation Ltd. (OMFED) invites offers from Milk Federation/Milk Unions for conversion of milk to Skimmed Milk Powder (SMP), Pasteurized White Butter (WB) & Ghee, as per detailed specifications given in the Schedule-II & Schedule-V of the offer.

OMFED reserves the right to accept or reject any or all offers without assigning any reason thereof.

1.0 ELIGIBILITY CRITERIA

1.1 Milk Federation / Milk Unions are not required to furnish bank guarantee.

1.2 The bidder should agree to sign a agreement with Omfed before lifting of milk . The copy of agreement enclosed at Annexure-B.

1.3 The bidder should have required mechanism with experience Technical Manpower to run Milk Processing, Powder, Ghee Plant etc.

1.4 The bidder should have sufficient storage facilities for Milk, Powder, Ghee and White Butter.

1.5 The bidder must be having equipped Testing Laboratory / facility to test milk , Milk Powder, Butter and Ghee.

1.6 The bidder should have sufficient numbers of Owned/Hired tanker to transport milk.

1.7 The bidder should have GST No., PAN, FSSAI License, BIS certifications, Factory License and any other License if any.

1.8 The bidder should not adopt unfair means for allotment of said Work Order.

1.9 The bidder should have similar type of experience in conversion of milk to SMP/Ghee with other Cooperatives/Private Sector.

2.0 OFFER SUBMISSION :

2.1 The offers should be submitted within scheduled time & date.

2.2 The **rates should be** quoted **in prescribed format.**

2.3 The party should clearly mention in the offer the address, fax/e-mail/telephone nos. Any change in the address should immediately be notified to the OMFED and correspondence thereafter will be made at the changed address.

3.0 EARNEST MONEY DEPOSIT:

3.1 **Milk Federation / Milk Unions are not required to furnish EMD.**

4.0 PRICES:

4.1 The rates offered shall be valid for a period of 01 year from the date of tender.

4.2 The offered price should be firm, clear and free from any escalations during the validity period.

4.3 The tenderer should quote rates for conversion charges , manufacturing, packing, storage and handling of SMP, WB.& Ghee . OMFED shall supply milk from different Plants(Bhubaneswar,Balasore, Sambalpur and Bhawanipatna) and SMP, WB & Ghee will be received after quality checks.

4.4 Rates should be quoted on the basis of strict adherence to specifications of SMP, Ghee and White Butter(WB) and recovery norms of FAT and SNF as given in Schedule –II and should be quoted inclusive of all taxes and duties, if any.

4.5 The rates offered shall be inclusive of all taxes & duties.

5.0 INSURANCE:

5.1 Necessary transit insurance shall be arranged by Omfed.

6.0 PAYMENT :

6.1 100% Payment (conversion charges) will be release within 30 days after receipt of converted materials at our plants.

6.2 Payment shall be made through RTGS/NEFT. Bank charges towards the above shall be borne by the party itself.

6.3 All payments are subject to deduction of Statutory duties as applicable.

7.0 GENERAL TERMS & CONDITIONS:

7.1 The acceptance of the offer and award of the work order shall be the sole right of the MD, OMFED, who does not bind himself to accept any offer in whole or in part or reject any or all offers received without assigning any reasons and no explanation can be demanded of the cause of rejection of the offer by any of the tenderer.

7.2 OMFED reserves the right to place order for conversion of entire quantity of milk with any party or split the order among two or more parties.

7.3 A minimum committed quantity of 50000 LPD is likely to be converted at your Plant. However the quantity is likely to vary and reach to a level of 200000 LPD during the pick milk flush season i.e. from mid of June to mid of August.

- 7.4 No person or firm is permitted to submit more than one offer under different names.
- 7.5 Conversion plants will ensure hygienic and sanitary condition for storage of SMP, Ghee and WB on plastic planks/pallets in clean and dry place away from sunlight. The place should be free from dust and pest/rodent environment. The deep freeze to be used for storage of WB should essentially be fumigated prior to its use.
- 7.6 The packing materials used for packing should be "OMFED" brand.
- 7.7 The L1 bidder should sign the agreement within 15 days from the issue of work order, failing which it is deemed that the work order is invalid and it will stand cancelled automatically.

8.0 QUALITY CHECKS/PARAMETERS :

- 8.1 The successful tenderer shall have to carry out job in strict under hygienic & sanitary environment conforming to the basic standards laid down under Food Safety & Standards Act 2006 and other rules and regulations prevalent. Violation of any clause of different Acts shall be the sole responsibility of the successful tenderer.
- 8.2 SMP shall have to be manufactured as BIS standard and Ghee & WB as per "AGMARK" specifications and recovery norms of Fat and SNF as given in Schedule II of the tender document.
- 8.3 WB manufactured shall be stored in such a way that it should attain a temperature of -18° C within 10 days from the date of manufacture. At the time of despatch the body temperature of WB should be -18° C.
- 8.4 The successful tenderer shall ensure the availability of all manufacturing and testing facilities at the factory premises and maintain them properly including their calibration and stamping at regular interval to ensure precision testing.
- 8.5 The authorized representative of OMFED shall inspect the premises in regard to sanitation and hygienic practices and conditions as well as the records regarding the quality of raw milk, quality and manufacture of White Butter, Ghee and SMP as well as packaging materials and packaging practices and or as may be directed to inspect by the company.

9.0 INSPECTIONS :

- 9.1 All the SMP/WB /Ghee produced are subject to inspection before acceptance. If they are rejected on quality grounds, then the party will have to manufacture SMP/WB/Ghee from own resources and supply equivalent quantity of SMP/WB/Ghee as per standards or the landed cost of milk supplied will be recoverable from the successful tenderer. Milk Union's inspection report in this regard shall be treated as FINAL.

10.0 TERMINATION OF CONTRACT :

10.1 If any act of commission or omission of conversion plant, OMFED shall be competent to debar/blacklist the conversion plant from further business and Security Deposit also shall be forfeited.

11.0 CONSEQUENCES OF BREACH OF AGREEMENT:

11.1 If the authorized person of the conversion plant or a partner in the contract/ commit breach of any of the conditions of agreement it shall be lawful OMFED to cancel the contract and recommend for forfeiture of the Security Deposit lying with OMFED.

12.0 DISPUTE ARBITRATION & FINAL AUTHORITY:

12.1 All legal dispute will be dealt with the Bhubaneswar Jurisdiction only.

SCHEDULE – II

Specifications of Skimmed Milk Powder and White Butter

A. Skimmed Milk Powder

Particulars	SMP
(i) BIS Specification	IS:13334 (Part-1)
(ii) Moisture % by mass (max.)	3.5%
(iii) Total solids (milk solids) % by mass (min.)	96.5%
(iv) Fat % by mass (max.)	Less than 1.25%
(v) Insolubility Index (max.)	1.0 ml
(vi) Total Ash (on dry basis, percent by mass)	7.7 -8.2
(vii) Titratable acidity (%lactic acid max.)	1.5
(viii) It should be free from any neutralizer/adulterant	
(xi) Bacterial count not more than per gm.	50,000
(x) Coliform count in 0.1 gm	Nil

B) Pasteurized White Butter

- (i) Fat percent 82% Minimum.
- (ii) Yeast and mould counts not more than 10 per gm.
- (iii) Titratable acidity 0.04%(LA. max.)
- (iv) Coliform not more than 5 per gm.
- (v) FFA not more than 0.3%
- (vi) BR reading at 40°C: 40-43
- (vii) RM value minimum – 28

The method of sampling and testing for butter shall be carried out as per the IS 3507 (1966).

C) Specification of Ghee

- (i) Moisture (Max.) -0.3%
- (ii) Fat %(Min.) - 99.7%
- (iii) FFA (Max.) -0.4%
- (iv) BR Reading at 40°C- 40-43
- (v) RM Value Min.- 28.0
- (vi) Yeast & Mould Count- Nil

(D) Fat and SNF recovery norms:

From Whole Milk		From Skimmed Milk	
Fat Recovery	SNF Recovery	Fat Recovery	SNF Recovery
99.0% Milk Fat to Fat in WB	SMP of 101.5% of SNF in WM with 3.5% Moisture	--	SMP of 101.7% of SNF in SM with 3.5% Moisture
99.0% of White Butter to Ghee			

SCHEDULE - III

(To be submitted along with the offer)

: Form of general and technical details of the tenderer:

A General Information:

I/We hereby furnish following particulars about my/our unit (s)

1. Name of unit : M/s. _____
2. Address of the unit : 1. Office _____

2. Factory _____

3. Name of Proprietor/Partner(s): 1. _____
2. _____
3. _____
4. Name with designation of : _____
the person authorized (if any) _____
to sign the documents on _____
behalf of the unit. _____
5. Telephone Nos. & Mobile No. : Office _____
Factory _____
Fax no. _____
E-mail _____
6. Particulars of the registration

certificate issued by the _____
competent authority, : _____
Registration No. & date _____
7. GST No. _____ date _____
8. PAN (furnish a photocopy): _____
9. Whether the unit or sister: Yes / No
concern unit or any unit of If the reply is 'yes' please give details below
their Proprietorship or _____
Partnership, (if any) has been _____

Blacklisted/debarred or _____
penalized by any Central or _____
State Government Organisation _____
or Cooperative Organisation at _____
any time. _____
10. FSSAI licence no. : _____
(furnish a photo copy of licence) _____
11. Whether valid licence for ISI : _____
mark SMP manufacture is _____
available (furnish a photo copy of _____
licence) _____
12. Whether the Unit is audited for 2019-20.
(Furnish the photocopy of audited Financial Statement for above year)

Seal & Signature of the tenderer

B Technical Information:

1. Names of products/fluid milk being manufactured and packed at the works with brand name (s) :

2. Whether the tenderer is engaged in pouch milk marketing:

3. Details of other dairy units whose milk has been converted into products in last 3 years:

4. Milk processing and products manufacturing capacity of the plant:

Milk: _____

WB: _____

SMP: _____

Ghee: -----

5. Spare capacity being offered for conversion:

6. Details of WB manufacturing & storage facilities:

CBM make & capacity:

Butter churn make & capacity:

Deep freeze chambers with capacity:

7. Assured temperature of WB in deep freeze within 10 days of manufacture _____ °C.

8. Details of SMP manufacturing & storage facilities:

Type and make of spray dryer: _____

Capacity: _____

Fuel used: _____

Type of air heating system: _____

Capacity available for storage of SMP: _____

Seal & Signature of the tenderer

SCHEDULE - IV
(RATES SHOULD BE SUBMITTED IN THIS FORMAT)
FINANCIAL BID

(A)

Sl.No.	Items	Rate (Rs. per kg)
1	Conversion charges of SMP (BIS marked) as per given specifications inclusive of all taxes	
2	Conversion charges of Ghee as per given specifications inclusive of all taxes	
3	Cost of packing material for SMP	
4	Conversion charges of Pasteurized White Butter as per given specifications inclusive of all taxes	
5	Cost of packing material of WB	
6	Cost of packing material of Ghee	

N.B: Supply of packing materials for the converted products is mandatory on the part of the bidder. The technical specification for the same should be as per BIS standard. In case we supply packing material, the cost will not be charged.

SCHEDULE - V

Documents to be submitted with the tenders.

- A- Copy of PAN
- B- Copy of GST registration no. of the firm
- C- Copy of IT return for the financial year 2019-20
- D- Copy of FSSAI licence
- E- Copy of Factory licence
- F- Copy of BIS certificate

AGREEMENT FOR CONVERSION OF MILK

Articles of Agreement made this.....day of..... two thousand and

BETWEEN

THE ODISHA STATE COOPERATIVE MILK PRODUCERS' FEDERATION LTD. an apex cooperative society registered under the Orissa Cooperative Societies Act, 1962, having its Corporate Office at D-2, Saheed Nagar, Bhubaneswar-7 (hereinafter referred to as "**Federation**") which expression shall unless repugnant to the context or meaning thereof, include the successors in interest and assigns of the Federation of the ONE PART

AND

M/s -----(Name of the Conversion Agent) a Company registered under the Indian Company Act-1956 having its registered office at:- ----- and Works/Factory at -----
----- (Hereinafter referred to as "**The Conversion Agent**") which expression shall unless repugnant to the context of meaning thereof, include the heirs, executors administrators and legal representatives of Lessee) of the OTHER PART.

WHEREAS the Federation, engaged in the business of production, processing and marketing of milk, milk products and agri-products is in need of a conversion agent having required processing and manufacturing facilities for conversion of its' surplus whole-milk to SMP , WHITE BUTTER & GHEE on requirement basis.

AND WHEREAS the OTHER PART having required infrastructural facilities at Works/Factory at -
----- has offered to act as Conversion Agent to meet the requirement of the Federation on the terms and conditions mentioned hereinafter.

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS.

01. That the agreement shall remain operative during the flush season of milk production in Odisha as long as surplus milk is available with OMFED during the year 2019-20.
 - a) That the Federation shall supply pasteurized good whole/Skimmed Milk from OMFED plants in insulated Milk Tanker of Conversion agent for immediate conversion of the same to SMP , WHITE BUTTER & GHEE as per recovery norms stipulated herein.
02. That the Conversion Agent shall arrange for conversion of milk to SMP , WHITE BUTTER & GHEE as per recovery norms specified below:.

- i) Recovery From Whole Milk Fat to White Butter Fat : 99.00%
- ii) Recovery from White Butter Fat to Ghee : 99.00%
- iii) Recovery from Whole milk SNF to SMP : 101.50%
(including maximum 3.5 % moisture)
- iv) Recovery from Skim Milk SNF TO SMP : 101.70%
(including maximum 3.5 % moisture)

03. That the Conversion Agent shall ensure that the converted products should be of following specification:

A) SMP must be BIS Mark Grade and should not contain more than 3.5% moisture and ash content should be within range of 7.7% to 8.2 %.

B) Cow Ghee :

Appearance / Description: Slight yellow in colour & free from any extraneous matter

- 1. Moisture % W / W max. : 0.3% maximum.

04. In case of receiving substandard milk from OMFED, the quality clause & the yield % thereof may be changed. The quality & quantity of S.M.P. & Ghee be finalized by the mutual consent of both the representatives present at the factory of the conversion agent. In case of receiving substandard milk from OMFED it is requested by the OMFED to the Conversion Agent's to make their best effort for conversion of S.M.P. & Ghee. Otherwise both the representative have to take immediate following decision with mutual consent as the milk is highly perishable & leads to loss.

- a) Convert the substandard milk to S.M.P. & Ghee with extra cost (as applicable) decided mutually.
- b) In worst case, the FAT be separated for ghee production & drained out the skimmed milk in presence of both the representatives with authenticity. Cost of Milk separation (Rs. / Kg. of milk) & cost of disposal of effluent (Rs. / Kg. of milk) generated by drainage of skimmed milk will be charged separately.

05. That the federation shall deploy one quality control personnel in the Dairy of Conversion Agent for jointly test checking of raw milk and converted products as well. The Federation agrees for quality parameters / quality of raw milk received at Conversion Agent's Factory at _____ which has been tested in his presence. Further, the processed quality of SMP / Butter / Ghee and the quality parameters to be checked and released for dispatch. Conversion Agent shall not entertain any claim on quality on the post dispatches.

06. That the Federation shall make payment of conversion charges on receipt of full truck load of materials(SMP, Butter and/or Ghee) from the factory of the Conversion Agent as per indent from time to time at the rates indicated hereunder. (Exclusive of all Taxes as applicable)
- A) Manufacturing Charges of SMP Per KG: Rs. ____ /-
- B) Manufacturing Charges Of White Butter per Kg: Rs. ____ /-
- C) Manufacturing Charges Of Ghee per Kg : Rs. ____ /-
- D) Packing Material Charges Of SMP: Rs. ____/- Per Kg
- E) Packing Material Charges For White Butter: Rs. ____/- per Kg
- F) Packing Material Charges for Ghee per Kg : Rs. ____/- (Packed in 15Kgs tin)
- G) Milk transport cost : Rs. ____/- per Kg
- H) SMP transportation cost for returning to OMFED: Rs. ____/- per Kg
- I) Ghee transportation cost for returning to OMFED: Rs. ____/- per Kg
- Any revision/ increase in price of materials and others will be communicated to the Federation for their approval.
 - The Conversion Agent shall raise the bill at the rate applicable. Taxes extra.
07. That the Federation shall make full payment of conversion made and storage charges on receipt of stock from the Conversion Agent's Factory, subject to test checking of quality and receipt of bill/s thereof.
08. The Conversion plant shall make necessary arrangement for delivery of converted products at the OMFED plant as per the schedule to be intimated and the cost of transportation shall be borne by the Conversion plant subject to delivery of stock intact at the time of unloading. Before the loaded vehicle leaves for Federation's Dairy the conversion agent shall intimate the details for the delivery challan, quantity, value, vehicle no., etc. by mail or fax for coverage of the same under Marine Transit insurance open policy of the Federation.
09. In case of any disputes between the parties in relation to this agreement touching the business of the parties, the disputes shall be referred to an arbitrator to be appointed by mutual consent of both the parties. The award of the Arbitrator so appointed shall be final, conclusive and binding on all the parties to the Agreement and provisions of the Arbitration & Conciliation Act, 1996 or any statutory modification or re-enactment thereof and the Rules made there under and for the time being in force shall apply to the arbitration proceedings under this clause.

10. This Agreement has been made in Bhubaneswar and the parties hereby agree that the Courts in the city of Bhubaneswar alone shall have jurisdiction to entertain any application

or other proceedings in respect of anything arising under this Agreement and any

Award or Awards made by the Sole Arbitrator hereunder shall be filed in the concerned Courts in the city of Bhubaneswar alone.

11. This Agreement sets forth the entire agreement and understanding between the parties to the subject matter and neither party shall be bound by any condition or understanding or representation with respect to the subject matter of this Agreement except as duly set forth on or subsequent date hereof in writing and signed by the party or by a properly duly authorized representative. Further all provisions of this Agreement are severable and invalidity of any provision in this Agreement shall not affect all other provisions, which will remain valid and binding.

12. This Agreement is liable to be terminated by either party on the happening of the following events:

- a) If there is a breach committed by either party of terms & conditions of this agreement and if the defaulting party does not rectify such breach within 30 days of the intimation of such breach of the defaulting party.
- b) If any of the parties is declared bankrupt and become insolvent.
- c) On mutual written consent from both the sides.

13. **Other General Conditions-**

- a) It is fully understood and agreed between “**The Federation**” and “**the Conversion Agent**” and that this Agreement has been signed for the sole purpose mentioned above and this Agreement in any event, save for what is mentioned therein, will not confer any right to either of them against other.
- b) The parties of the Agreement will not initiate any communication with or provide information to any other party with respect to the discussions held between themselves or the contents of this Agreement without written consent of the other party.
- c) The conversion agent will not divert the milk or converted stock anywhere without the consent of the Federation.

- d) The conversion agent shall update the Federation about the accumulation of stock twice in a week.
- e) All notices, requests, demands and other communication required or to be provided for under this Agreement shall be given in writing and shall be delivered to the respective addresses of the parties here as under:

14. The terms and conditions of the tender document will a part of this agreement.

“The Conversion Agent ”

“THE FEDERATION”

**THE ORISSA STATE CO-OPERATIVE
MILK PRODUCERS' FEDERATION LTD,
D-2, Saheed Nagar
Bhubaneswar- 751 007**

IN WITNESS WHEREOF THE PARTIES HERETO HAVE HERE UNTO SET THEIR HANDS ON THE DATE, MONTH AND YEAR FIRST ABOVE WRITTEN:

for and on behalf of
the Conversion Agent.

for and on behalf of
**THE ORISSA STATE COOPERATIVE MILK
PRODUCERS' FEDERATION LTD.**

In the presence of:

In the presence of:

1. _____

1. _____

2. _____

2. _____