

**TENDER DOCUMENT FOR
CONVERSION OF SKIMMED MILK / WHOLE MILK TO SKIMMED MILK
POWDER, WHOLE MILK POWDER & GHEE**



THE ODISHASTATE CO-OPERATIVE MILK PRODUCERS' FEDERATION LTD.

D-2, SAHID NAGAR.BHUBANESWAR

MARCH- 2023

Cost Rs. 6000+18% GST



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

Phone No: 0674-2544576, 2546030, 2546121, 2540417, 2540273.

Fax : 0674-2540974

E-mail : dairyoperation@omfed.com , Website: www.omfed.com

NOTICE INVITING TENDER

OMFED invites sealed tender from reputed manufacturer of milk powder for conversion of Skimmed milk/Whole milk to Skimmed Milk Powder, Whole Milk Powder & Ghee. Interested bidders may down load the Tender Document from OMFED web site www.omfed.com & submit their sealed offer in separate envelopes with complete technical details including existing product manufacturing facilities, rates, terms & conditions etc. The tender cost of Rs.6,000/-+ 18% GST with E.M.D. of Rs.2.0 lakh, both in shape of Demand Draft in favour of OMFED drawn on any Nationalized Bank payable at Bhubaneswar should reach at the above addressed office latest by **04/04/2023** up to **14.00 hours**. The sealed offers shall be opened on the same day at **15.00 hours** in presence of interested bidders. For details please visit OMFED website www.omfed.com.

The corrigendum, if required, shall only be published in Omfed website but not in any other media/newspapers.

Omfed reserves the right to accept or reject any or all the tender documents or part thereof without assigning any reason thereof.

Managing Director



The Odisha State Cooperative Milk Producers' Federation Ltd.,
D-2, Sahid Nagar, Bhubaneswar-751007.
Phone No: 0674-2544576, 2546030, 2546121, 2540417, 2540273. Fax : 0674-2540974
E-mail : dairyoperation@omfed.com Website: www.omfed.com

DETAILS

Tender for	Conversion of Skimmed milk/Whole milk to SMP/WMP/ Ghee.
Reference No.	35:DO:Conv:n:2023
Cost of Tender Form	Rs. 6000/- + 18% GST
Schedule –I	General terms & conditions
Schedule –II	Item manufacturing specifications
Schedule– III	Technical details
Schedule - IV	Rate submission format
Schedule-V	Document to be submitted
Annexure-A	Bank Guarantee format
Annexure-B	Agreement format
Earnest Money Deposit	Rs. 2.00 lakhs (Rs. Two lakhs only)
Contact Person	Mr. Mritunjay Kumar , Mo: 7783830953
Last date and time for submission of tender document	Dtd. 04/04/2023 till 14.00 hours.
Date & Time for opening of Tender	Dtd. 04/04/2023 at 15.00 hours.
Envelop – A	EMD – to be submitted.
Envelop – B	Technical documents to be submitted.
Envelop – C	Financial bid to be submitted.
Address for communication	Managing Director Odisha State Cooperative Milk Producers' Federation Ltd., D-2, Sahid Nagar, Bhubaneswar – 751 007. (Odisha)
Bank Account Details of OMFED for RTGS	Bank Name: Indian Bank Account No: 922440376 IFSC Code:IDIB000K157 Branch Name: Kharvela Nagar

Managing Director

LOCATIONS AND AREA

Name of Dairy	Address	Distance from Bhubaneswar (in Km.)
OMFED Dairy	Near Sri sri Universiry , Arilo Govindpur , Cuttack	20
Balasore Dairy	At/Po-Januganja, Via-Remuna, Dist:Balasore, Pin-756003	200
Berhampur Dairy	At/Po-Ankushpur, Near Kukudakhandi, Berhampur, Ganjam	171
Bhawanipatna Dairy	At-Bhangabadhi, Po-Bhawanipatna, Dist:Kalahandi	430
Rourkela Dairy	At/Po-Luakera, Rourkela-9, Dist:Sundargarh	380
Sambalpur Dairy	At-Godavanga, Po-Kalamati, Via-C.A.Chipilima, Dist-Sambalpur, Pin-768025	350

**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 sealed offers from bonafide manufacturers/association of such manufactures and their authorized representatives for conversion of milk to Skimmed Milk Powder (SMP), Whole Milk Powder (WMP) & 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 The bidders should be financially sound and have capability to submit Bank Guarantee of Rs.1.0 Crore before signing of agreement. The copy of Bank Guarantee form enclosed at Annexure-A.
- 1.2 The bidder should agree to sign an 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, and Ghee Plant etc.
- 1.4 The bidder should have sufficient storage facilities for Milk, Milk Powder, Ghee.
- 1.5 The bidder must be having equipped Testing Laboratory / facility to test milk, Milk Powder and Ghee.
- 1.6 The bidder should have sufficient numbers of Owned/Hired insulated 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/WMP/Ghee with other Cooperatives/Private Sector.

2.0 OFFER SUBMISSION:

- 2.1 The offers should be submitted within scheduled time & date.
- 2.2 Tenders shall be submitted in sealed envelopes separately for Technical & Commercial.
- 2.3 The offers received through Fax/E-mail will not be considered.
- 2.4 The **rates should be quoted in prescribed format** only.
- 2.5 The party should clearly mention the correspondence 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.

- 2.6 Individual submitting the offer and other related documents must specify whether he has submitted as
- a) The sole proprietor of the firm or constituted attorney of such proprietor.
 - b) A partner of the firm, if it is partnership firm in which case he must have authorities to refer to the arbitration disputes concerning the business of the partnership either by virtue of partnership deed or by Power of Attorney.

3.0 EARNEST MONEY DEPOSIT:

- 3.1 All the parties shall be required to deposit **EMD of Rs. 2.00 Lakh (Rs. Two Lakh only)** along with the tender submission. Without the requisite EMD the tender shall be rejected.
- 3.2 EMD in the form of Demand Draft (DD) drawn on any Nationalised Bank in favour of 'OMFED' payable at Bhubaneswar should reach physically in the office of MD, OMFED before **Dt. 04/04/2023 at 14.00 PM.**
- 3.3 EMD of successful tenderer shall be retained till the completion of the work. No interest will be paid on this deposit for the period during which the deposit is kept with OMFED.
- 3.4 EMD of the bidders whose rates are not accepted will be returned within 30 days from the date of tender opening.
- 3.5 Bank Guarantee worth Rs.1.0 Crore is to be submitted by successful bidders along with agreement to OMFED.

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 & transportation charges on the basis of per kg. manufacturing, packing, storage and handling of SMP, WMP & Ghee. The tenderer will also include rate to return converted materials to Bhubaneswar dairy/ OMTDC/ any processing plant of OMFED. OMFED shall supply milk from different Plants (Bhubaneswar, Balasore, Sambalpur and Bhawanipatna) and SMP, WMP & Ghee will be received after quality checks. If any material found substandard, it is to be lifted at their own cost.
- 4.4 Rates should be quoted on the basis of strict adherence to specifications of SMP, WMP Ghee 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 the bidder for lifting milk for conversion and returning back of the finished products.

6.0 PAYMENT:

- 6.1 90% Payment (transportation and conversion charges) shall be released within 30 days after receipt of converted materials at our plants.
- 6.2 All Payment shall be made through RTGS/NEFT after realisation of Bank charges from party's dues.
- 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 Negligence on the part of the tenderer in submission of the offer confers no right to withdraw the offer after it has been opened. If the successful tenderer fails to accept milk and fails to make SMP/WMP/Ghee within the stipulated period mentioned in work order without any valid reason, then the order shall be treated as cancelled and EMD/SD/bills lying with OMFED would be forfeited and the firm may even be blacklisted.
- 7.3 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.
- 7.4 The submission of a tender by a party implies that the firm has read the notice and terms and conditions of tender and has made himself aware of the scope and specifications of the work to be carried out.
- 7.5 Milk shall be supplied to conversion plant if there is any emergency breakdown and surplus milk available beyond the installed capacity at OMFED Dairy, Arilo-Govindpur during pick milk flush season i.e. from mid of April-23 to mid of August-23.
- 7.6 No person or firm is permitted to submit more than one offer under different names.
- 7.7 The bidder firm shall not contract or assign (sublet) the work to any other party or party's firm the whole or any portions of the offer awarded by OMFED.
- 7.8 Conversion plants will ensure hygienic and sanitary condition for storage of SMP, WMP and Ghee 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.
- 7.9 Costing break up of conversion claimed to be shared in details.
 - (a) The bidder should return the all converted materials to Omfed when the stock position reached to one truck load i.e. 16 – 25 MT within one week,
 - (b) Otherwise the bidder will be paid penalty @ Rs. 0.10 per KG of converted SMP, WMP & GHEE on each day late for fail/disobey fully / any part of the converted material return schedule.

- 7.10 The packing materials used for packing should be of “OMFED” brand, with OMFED logo
- 7.11 The L1 tenderer should sign the agreement and furnish the Bank Guarantee within 15 days from the issue of work order, failing which it is deemed that the work order is not accepted and it will stand cancelled automatically.
- 7.12 The tenderer should understand and accept that Milk is a perishable essential commodity. Therefore, milk shall be transported within the shortest possible time. On an average, subject to no entry conditions, and the like, the milk tanker should cover minimum 30 K.M. per hour. If partial tanker is sent, the minimum speed limit shall be 25 km/ hr. However, in case any tanker takes more time for covering less distance the transporter will be solely liable for any or all the loss and damaged caused including those arising due to rejection of milk at the destination point. Accordingly, the tanker should ply continuously to the destination once it leaves the Dairy Plant premises by maintaining the aforesaid average speed and should not make unnecessary halt/delay in transit. The company shall have discretion to put penalty on delay in travel time.
- a) More than 2 hours, with no effect on quality: Rs. 200 per hour.
 - b) More than 2 hours with adverse effect on quality: Penalty upto total recovery of losses.
 - c) Further, the transporter has to follow the route prescribed strictly, except otherwise under compelling circumstances.

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 and liability of the successful tenderer.
- 8.2 SMP & WMP shall have to be manufactured as BIS standard and Ghee as per “AGMARK” specification and recovery norms of Fat and SNF as given in Schedule II of the tender document.
- 8.3 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.
- 8.4 The Bidder shall be held responsible for the losses in Fat & SNF due to testing/ weighing variations of Fat%, SNF% and quantity of milk at dispatch and receipt of milk at the Plant. The Transporter shall be allowed a maximum negative variance (loss) on quantity of Fat and quantity of SNF in the monthly billing cycle as under.

A maximum of 1.0% loss in term of total quantity of Fat dispatched (Kgs of Fat) and a maximum of 1.0 % loss in terms of quantity of SNF dispatched (Kgs of SNF) shall be allowed, during the monthly compilation. Any loss over and above limit shall be deducted from the monthly transportation bill of the Transporter. The positive or negative variation in quantity of milk are included in this method

of calculation of loss/ gain of quantity of milk FAT/SNF, so no additional variance in quantity of milk shall be allowed. The gain, if any in monthly total quantity of milk Fat and/ or SNF shall not be considered for any payment to the Transporter. The gain in one component (Fat/ SNF) shall not set off loss in other component (Fat/SNF).

In case of variation at destination at the time of receiving is noted due to technical error, the Transporter shall inform the Plant Manager and then the Dairy Operation Division shall take up the matter with the dairy unit at destination point and if found correct, there shall be no deductions from transporter's bill.

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, Ghee, WMP and SMP as well as packaging materials and packaging practices and or as may be directed to inspect by the company.

8.6 Successful Tenderer has to depute one Quality Control Officer at Milk Loading dairy. He will confirm the quality (Fat and SNF) before tanker dispatch. After dispatch of Milk tanker, if there is theft on the way or receive less fat & SNF, it is a responsibility of tenderer.

9.0 INSPECTIONS:

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

10.0 TERMINATION OF ONTRACT:

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/tendering firm 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 For matters of dispute relating to the interpretation of the above clauses, the decision of the MD, OMFED shall be final and binding on all concerned.

12.2 It should be clearly understood that once agreement is executed between the OMFED and the successful tenderer then in the event of the successful tenderer failing to accept and execute the work order or any dispute thereof, the MD of OMFED will be the Sole Arbitrator in this respect and his decision and award will be final and binding to both the parties.

12.3 All legal disputes will be dealt with the Bhubaneswar Jurisdiction only.

SCHEDULE – II

A. SPECIFICATION OF SKIMMED MILK POWDER

SL.NO	PARTICULARS	SPECIFICATION
01	BIS Specification	IS:13334 (Part-1)
02	Moisture % by mass (max.)	4.0%
03	Total solids (milk solids) % by mass (min.)	96.0%
04	Fat % by mass (max.)	< 1.25%
05	Insolubility Index (max.)	1.0 ml
06	Total Ash (on dry basis, percent by mass)	7.7 -8.2 %
07	Titrateable acidity (%lactic acid max.)	1.5 %
08	Total Plate count not more than/ gm.	50,000
09	Coliform count in 0.1 gm	Absent
10	Scorched Particles	Disc-A
11	Bulk Density	0.45-0.55
12	It should be free from any neutralizer/adulterant	

B) SPECIFICATION OF WHOLE MILK POWDER

SL.NO	PARTICULARS	SPECIFICATION
01	BIS Specification	IS: 1165:2002
02	Moisture % by mass (max.)	3.5%
03	SNF % by mass (min.)	70.5%
04	Fat % by mass (min.)	> 26.0%
05	Insolubility Index (max.)	1.0 ml
06	Total Ash (on dry basis, percent by mass)	7.7 -8.2 %
07	Titrateable acidity (%lactic acid max.)	1.6 %
08	Total Plate count not more than/ gm.	50,000
09	Coliform count in 0.1 gm	Absent
10	Scorched Particles	Disc-A
11	Bulk Density	0.45-0.55
12	It should be free from any neutralizer/adulterant	

C) SPECIFICATION OF GHEE

SL.NO	PARTICULARS	SPECIFICATION
01	Moisture (Max.)	0.3%
01	Fat %(Min.)	99.7%
02	FFA (Max.)	0.4%
03	BR Reading at 40°C	40-43
04	RM Value Min	28.0
05	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 99.0% of White Butter to Ghee	SMP of 101.5% of SNF in WM with 3.5% Moisture	--	SMP of 101.7% of SNF in SM with 3.5% Moisture

SCHEDULE - III

(To be submitted alongwith 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 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. If the reply is 'yes' please give details below

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 last 3 years(2019-20,2020-21, 2021-22).
(Furnish the photocopy of audited Financial Statement for above 3 years)

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 3years:

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) Cost of Conversion and Packing material:

Sl.	Items	Rate (Rs. per kg)
1	Conversion charges of SMP as per given specifications inclusive of all taxes	
2	Conversion charges of WMP as per given specifications inclusive of all taxes	
3	Conversion charges of Ghee as per given specifications inclusive of all taxes	
4	Cost of packing material for SMP	
5	Cost of packing material for WMP	
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.

Signature of Bidder

Seal & Date

Cost of transportation of Milk from:

Sl no.	Name of the Dairy	Milk (In KG)
1.	Bhubaneswar (Arilo Plant)	
2.	Balasore	
3.	Sambalpur	
4.	Bhawanipatna	

Note:

- i) The above cost includes all charges and other taxes if any.
- ii) **Consider the Cost of Diesel is Rs 91.76 per Liter.**
- iii) The cost of transportation of Milk will be increase/decrease as per HSD rate, considering consumption of diesel (3.5 Km per one Liter).

(C) Cost of transportation of finished products TO :

Sl no.	Name of the Dairy	WMP/SMP/Kg.	GHEE/Kg.
1.	Bhubaneswar		
2.	Balasore		
3.	Sambalpur		
4.	Bhawanipatna		
5.	Rourkela		
6.	Berhampur		

Note:

- i) The above cost includes all charges and other taxes if any.
- ii) **Consider the Cost of Diesel is Rs 94.75 per Litre. (1st March-23)**
- iii) The cost of transportation of Milk will be increase/decrease as per HSD rate, considering consumption of diesel (3.5 Km per one Litre)

Signature of Bidder

Seal & Date

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 2019-20,2020-21, 2021-22
- D- Copy of FSSAI licence
- E- Copy of Factory licence
- F- Copy of BIS/ISO certificate
- G- List of Man Power with qualification& designation
- H- List of equipment for processing
- I- Undertaking for not blacklisted from any co-operative/Govt. sector.
- J- Copy of Balance sheet, profit loss account for the year 2019-20,2020-21, 2021-22

BANK GUARANTEE FORMAT

To

WHEREAS _____ [name and address of the conversion agency has undertaken, in pursuance of Contract No. _____ dated _____ to execute _____ [name of Contract and brief description of Works] .

AND WHEREAS it has been stipulated by you in the said Contract that the conversion agency shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligation in accordance with the Contract;

AND WHEREAS we have agreed to give the conversion agency such a Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you on behalf of the M/s....., up to a total of _____ [amount of guarantee]* _____ (in words), such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limit of _____ [amount of guarantee] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from M/s..... before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed there under or of any of the Contract documents which may be made between your and the conversion agency shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid 180 days from the date of execution of agreement with conversion agency..

Signature and Seal of the guarantor _____

Name of Bank _____

Address _____

Date _____

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 2023-24.
 - 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/ISO 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, WMP & 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 WMP per KG: Rs. ____ /-
- C) Manufacturing Charges of Ghee per Kg : Rs. ____ /-
- D) Packing Material Charges of SMP: Rs. ____/- Per Kg
- E) Packing Material Charges of WMP: 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 proper 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. _____