

**Pre – bid queries and recommendations / responses for the Pre-bid meeting on F&V Market,
Mohali project held on 26.05.2015 at 3:30pm in Committee Room, PIDB**

S.no.	Query	Response
1.	During the meeting we had discussed the financials you had wanted us to work on. You had a basis for arriving at those figures you had mentioned in the pre bid document.	Refer to the Annexure
2.	Mohali F & V Market is situated in an area surrounded by high per capita income residents and a Cosmopolitan City Chandigarh. The equipments to be installed at market complex should be providing high value addition to the farmers bringing in their produce. The suggested equipments are as follows :- (a) 5 Tons per hour round & oval F & V grading equipment comprising of washing, sorting, waxing, drying, grading unit. (b) 2 Ton per hour multi veg washing machine. (c) 3 Ton Potato & Onion grading machine. (d) Pre cut F & V Station comprising chilling, washing, cutting, Packing Unit. (e) Multi packing equipments like shrink wrap, net Packing e.t.c.	The minimum capacities defined for the additional components in the RFP are <ul style="list-style-type: none"> • Cold Storage (500 MT) • Ripening Chamber (32 MT – 4 of 8 MT each) • Packhouse (Round & Oval Fruits – 2.5 MT / hr, Vegetables – 1.25 MT/ hr, Shrink wrap facility) • Laboratory – 2-3 portable testing machines <p>The Private Player may be allowed to enhance the size of facilities in order to promote market functioning only after taking approvals from the Punjab Mandi Board subject to the maximum of area provided for construction of these components.</p>
3.	The ripening chambers should be increased to 8 nos instead of 4.	
4.	Cold store facility should consist of minimum 2000 tons capacity with multi chambers for storing varied F & V	
5.	Indian farmers have small/ marginal land holdings. In a scenario where a farmer cannot afford to put up value enhancing equipments, the rational way out is to create such facilities at collection centers/ F & V markets. The farmer's biggest worry is to sell his entire produce in one go- there is always a demand for A& B quality produce, but there is very less demand for C&D quality produce (That is the reason farmers camouflage good fruit & Vegetables on top of the basket and inferior quality produce at the bottom.) Adequate small processing equipments may be installed where C&D grade produce is utilized for some value addition.	The Project vision is to create a modern market place for farmers while providing quality produce to wholesalers and end users. The list of additional components with minimum specifications to be constructed by private player in area provided for it has been provided in the RFP document. The Private Player may create facility for Organic Waste Converter/Solid waste management solutions at the mandi premises. As regarding other small processing equipments private player may set up such facilities for grinding, crushing, drying etc. in a maximum area of 300 square yards out of the existing area earmarked for additional components i.e cold

		storage, ripening chamber, packhouse etc. However, such facilities should only be set up for the commodities which are traded in the Fruit and vegetable market.
6.	Availability of micro finance facility to farmer which is linked with adequate storage facility so as he gets better value of his produce by differing his sales over a period of time.	The Private Player may create facility for Organic Waste Convertor/Solid waste management solutions at the Mandi premises and other small processing equipments for facilities like grinding, crushing, drying etc in a maximum area of 300 square yards out of the existing area earmarked for additional components.
7.	Providing linkages to the agricultural produce with other National & International markets	
8.	Strengthen symbiotic relationship between agriculture, horticulture and other allied areas such as animal husbandry, fisheries e.t.c.	It is expected that the Selected Private Player will adopt the best practices in the running of the market in order to operate the Modern Fruit & Vegetable Market. Further, it is clearly specified that the Concessionaire would be responsible for maintaining all quality standards including FSSAI and other clearances required for operating the market.
9.	Acting as training cum capacity building centre for producers / farmers to adopt good agricultural practices and traders to follow fair trade practices.	
10.	To create one stop center for Kisan for all of his material and knowledge requirements.	
11.	To create 8 to 12 collection centers in the vicinity of the market complex within approximately 80 KM/ radius. Collection centers to have some frugal basic agri equipments to wash, clean & segregate the produce before sending the same to Mohali market.	
12.	Creating a platform by getting a demand of cash crops/ exotic F & V and providing necessary aid, means & infrastructure to small farmers to adopt the techniques to grow the same and supplement their Income.	No response
13.	The projected handling of 40000 tons per anum of Fruit & vegetable can generate maximum revenue of Rs 28 Lacs. To run the F & V market set up in 13.75 Acers with all moderm amenities hygiene, cleanliness requires a minimum of Rs 400 lacs per Anum, this include wear and tear, housekeeping, staff salary, consultant/ experts to guide the farmer e.t.c. To cover up the gap, we suggest that only 25% of amount, received as security from shop cum offices & retails shops be got deposited with the Department / GOP and all balance revenue streams goes to the	There are multiple revenues sources available to the Selected Private Player in addition to market fees and usage charges, as detailed in the RFP document. No change.

	<p>facilitators to run the market in accordance to International norms and practices. You will appreciate by forgoing a nominal amount of few lacs per annum ultimate benefit of F & V market shall percolate to more than 30000 farmer's families in the catchment area. It shall help them in supplementing their income by the technological inputs provided by the experts and getting fair and better price of the produce.</p>	
14.	<p>Farming and handling F & V is a very sensitive matter in our country, vested interests try to sabotage any suggestion, system or projects which entails progress to the grower by means of fair pricing and opportunities to grow high value cash crop/ exotic F & V.</p> <p>In such a conservative scenario, it is always better to go for slow but gradual progress which is conducive to all the stake holders. We have worked out that approx 1.5 % of total produce may be handled per annum by adopting modern technologies & system. This shall entail minimum of 20- 25 Years for things to change & bring gradual prosperity to a farmer/ grower. This increases the gestation period of F & V market becoming a successful venture. To overcome this, we request the department to increase the "Terms of Agreement" from 30 years to 60 years so as, after a prolonged effort, the facilitator / developer enjoys some fruit of his efforts.</p>	No change.
15.	<p>The F & V market has adequate infrastructure, however a specific ware house / area is to be constructed for one stop sale of all requirements of farmers including seeds, fertilizers, pesticide, daily needs e.t.c are meet at economic prices on the lines of a co-operative store. Permission may be given to add any infrastructure for the same.</p>	As per RFP and reply to pre-bid queries.
16.	<p>Farmer Guest House may be added in the required infrastructure.</p>	
17.	<p>Permission to put up Kisan/ rural Fuel Station in the complex to meet the requirements of farmer & local transporters.</p>	Not allowed
18.	<p>To put up all the stated facilities & infrastructure the total project outlay goes to approx Rs 16-20 Crores. The recovery of the same shall take long gestation period of 30-40 years. If primary motto is to provide services to the farmer at nominal price like:-</p> <p>(a) Sorting , grading & packing of vegetable like Onion, potato, tomato</p>	<p>There are multiple revenues sources available to the Selected Private Player in addition to market fees and usage charges, as detailed in the RFP document.</p> <p>No change. Concession Period would be 30 years</p>

	<p>e.t.c are kept at Rs 0.25 per K.g (b) Washing, sorting & grading of Vegetable Rs 0.15 to Rs 0.20 per K.g (c) Ripening of bananas, papaya e.t.c. @ Rs 1.00 per k.g shall entice the retailer to get the fruit repined by adopting modern techniques instead of harmful & hazardous process of carbide Chemical. If F & V washing, grading, ripening, packing, storing charges are to be kept bare minimum then we suggest that lease/ terms of Agreement Period must be increased to minimum 60 years. Annual concession fees payable on monthly basis with increase of 10% every 3 years should be abolished. Instead the Developers who puts in higher infrastructure in terms & value, investment & beneficiary to farmer may be selected to run the F&V market.</p>	<p>Selection criteria would be Annual Concession Fee. Annual concession fees payable on monthly basis with increase of 10% every 3 years</p>
<p>19.</p>	<p>SPV may be formed to implement the project and DPR to be got made for developing the additional required infrastructure, equipments, facilities e.t.c by Concessionaire/Developer. All additional investment in development of infrastructure & equipments e.t.c should be made directly by the developer in their own ownership so as to avail various Govt subsidies and to get adequate finance from financial institutions to make the project viable & successful to all the stake holders. The developer need not deposit any money/ security/ advance/License fee with the Board/Department/ GOP, but to invest all the recourses for optimize development of the F& V market complex.</p> <p>The selection criteria should not be the deposit of securities/ Fees / License fee e.t.c. BUT INVESTMENT in the development of infrastructure in the project. The higher the investment commitment, the better the prospect of the Bidder. The Bidder should be asked to prepare DPR (Detailed Project Report) and submit the same along with Bid Document. This should be vital criteria for selection of Bidder as department / Evaluators should know the amount of commitment, knowledge & plan of the Bidder to make the market a successful venture for all the stake holders</p>	<p>The additional components would be created by the developer through its investment and the Private Player can avail all relevant and applicable subsidies for the same, if eligible for the same.</p> <p>However, it is specified that as mentioned in the RFP document, the land cannot be mortgaged / charged under any circumstances.</p> <p>No change. Concession Period would be 30 years Selection criteria would be Annual Concession Fee.</p>
<p>20.</p>	<p>At the time of site visit it was found that a farmers market is existing in the facility where as that area is marked as "Additional Space for</p>	<p>The Farmer's market is to be shifted to another location from the market complex. The space is available as additional area available</p>

	proposed components” in the RFP document.	for the Concessionaire to develop the proposed additional components as mentioned in the RFP.
21.	Exemption in Service Tax, VAT, Stamp Duty & other state taxes should be provided.	The market would be declared as Special Market by PSAMB and no market fee and RDF would be applicable on the project. Usage charges can be charged as per RFP. No other exemptions. All other taxes / liabilities would be borne by the Selected Private Player.
22.	Testing & Certification Laboratory	The testing laboratory is expected to have 2-3 portable machines for providing voluntary testing facilities in the market. The Selected Private Player is free to create additional facilities, after taking due approval from PSAMB in order to promote the market functioning.
23.	Electronic Auction system	<p>The Electronic Auction System is to be introduced at the Market within 1 year of the operations of the Market.</p> <p>The Movable / Static Electronic Auction System should have features like wi-fi and internet connectivity with on-line monitoring and data transferring system to main central server. The System should also be compatible with modern electronic handset and mobile or any other superior system available.</p> <p>The operational guidelines for the same would be developed by the Mandi Board.</p>
24.	It is requested that the submission date be extended by 10 days in order to provide enough time to collate the necessary documents.	<p>The Proposal Due Date has been extended to 15th July, 2015.</p> <p style="text-align: center;">Proposal Due Date 15.07.2015 Online submission – till 12:00 noon Hard Copy Submission – till 04:00 pm</p>

Annexure - Basis for Financial Calculations

- **Additional Components to be created**
 - Cold Storage (500 MT)
 - Ripening Chamber (32 MT)
 - Packhouse (1.25 MT / hr)
 - Testing facilities/ portable machines for pesticide testing – to be monitored by Mandi Board
 - Weigh Bridge facility
- **Estimated Investment for creating Additional Components: INR ~7 Cr**
- **Payments to Authorities**
 - Upfront Payment to Mandi Board – INR 5 Cr
 - Project Development Fee to PIDB – INR 25 lakhs
 - Performance Security for the Project – INR 1 Crore (Bank Guarantee)
 - Annual Concession Fee (Bid Variable)
- **Revenue Sources / Inflows**
 - Upfront premium at the time of leasing shops – 25% to be retained by Pvt. Player
 - Wholesale shops – Min INR 20 Lakh @ 34 shops
 - Retail Shops – Min INR 2 Lakh @ 95 shops
 - Rents from leasing of Wholesale & Retail Shops – To be retained by Pvt. Player
 - Wholesale shops – Min rent INR 15 psf pm – Avg area of shops – ~670 sq ft
 - Retail Shops – Min Rent INR 40 psf pm – Avg area of shops – ~160 sq ft
 - Usage Fee in Wholesale Market – 1% to be shared to Mandi Board, 1% retained by Private Player
 - Expected Market Capacity – 100 MT / day, Avg Basket Price to be considered by Pvt Player
 - Usage Charges / Rents from Additional Components created in the market – Cold Storage / Ripening Chamber / Sorting & Grading lines – To be retained by Pvt. Player
 - Sub-lease of Other Utility Areas – To be retained by Pvt. Player
 - Rents from Restaurant Area / ATMs / Other spaces
 - Misc Income – Revenue from other sources /components, after approval from Management Committee – To be retained by Pvt. Player

Private Player to evaluate revenue projections for the Concession Period of 30 years in order to quote appropriate Annual Concession Fee.