



**Apparel Export Promotion Council,**  
(Sponsored By: Ministry of Textiles, Govt. of India)  
Apparel House, Institutional Area, Sector-44, Gurgaon-  
122003 (India)

Dated: May 23, 2018

## **REQUEST FOR PROPOSAL**

**Subject: Selection of a Consultant for Collection and Compilation of Cost Data for fixation of All Industry Rates of Duty Drawback for the year 2018-19 for ready-made garments (Chapters 61 & 62 of HSN).**

### **1. Background:**

Apparel Export Promotion Council (AEPC), Gurgaon proposes to award a Consultancy assignment for Collection and Compilation of All Industry Duty Drawback Cost Data for year 2018-19 for readymade garments. For this purpose, it is proposed to select a Consultant.

### **2. Request for Proposal:**

Accordingly, the Council hereby invites proposals from reputed consultancy firms with proven experience in Collection and Submission of cost data for AIR of Drawback for the year 2018-19 for readymade garment products.

### **3. Conditions of Eligibility of firm:**

- a. The average annual financial turnover of the applicant during the last 3 years ending 31st March, 2018, should be at least Rs. 50 lakhs. Audited balance sheet and profit and loss account to be enclosed along with application.
- b. Experience of having successfully completed similar assignments of collection of cost data for AIR of drawback for Export Promotion Councils during last 3 years.
- c. The agency should have experience of handling assignments for drawback matters in readymade garment sector.



#### **4. Job Requirement:**

The agency would be overall responsible for proper collection and compilation of representative cost-data from cross-section of the readymade garment export industry across the country as per detailed Terms of Reference specified in **Schedule I**.

#### **5. Deliverables:**

In pursuance of the scope of services provided in the Schedule-I of the Terms of Reference, the Consultant shall undertake/deliver the following broad deliverables during the course of this Consultancy:

- a. A report compiling relevant, representative and positive data for determination of drawback rate that can be presented to policy makers.
- b. The report to include analysis of the data with a view to enable AEPC to make recommendation for positive changes in drawback rate.
- c. An effective presentation based on the report for representing the garment industry's request for determining all industry drawback rates that increases competitiveness of the garment industry.

#### **6. Duration:**

The total duration for preparation of the Report shall be 4 (four) weeks.

#### **7. Submission of EMD:**

7.1 The applicants are required to submit their tenders along with Earnest money Deposit of Rs. 60,000/- (Rupees sixty thousand only) in the form of Demand Draft drawn in favour of "**Apparel Export Promotion Council**" payable at Gurgaon, Haryana.

7.2 The EMDs of the unsuccessful bidders will be refunded by way of handing over the original Demand Draft/Banker's cheque duly endorsed by the Competent Authority of the Council without any interest. The EMD of the successful tenderer will be retained by the Council as performance security till the completion of assignment.



## 8. Procedure for submission of bids:

8.1 The agency qualifying the above criteria shall submit the tender in two separate sealed covers, as follows:

Cover (A) – A copy of the **technical bid** i.e. in support of the eligibility conditions as mentioned above. This cover should include the evidence of meeting the above stated eligibility criteria, along-with the Earnest Money Deposit for an amount of **Rs. 60,000/-** (Rupees sixty thousand only) in the form of Demand Draft drawn in favour of “**Apparel Export Promotion Council**” payable at **Gurgaon, Haryana**.

Cover (B) – Should include the **financial bid** consisting of the bid amount (all inclusive including statutory taxes, charges and levies).

8.2 Both the sealed envelopes i.e. **Cover (A) and Cover (B)** are to be put into another envelope and it should be super scribed as “**RFP for Selection of Consultant for AIR of Drawback for 2018-19**”.

8.3 While submitting the Financial Proposal, the Applicant shall ensure the following:

i) All the costs associated with the assignment shall be included in the Financial Proposal. These shall normally cover remuneration for all the Personnel deployed, their accommodation, air/train/bus/taxi fare, printing of documents, taxes etc. The total amount indicated in the Financial Proposal shall be without any condition attached or subject to any assumption, and shall be final and binding. In case any assumption or condition is indicated in the Financial Proposal, it shall be considered non-responsive and liable to be rejected.

ii) The Financial Proposal shall take into account all expenses and tax liabilities. For the avoidance of doubt, it is clarified that all taxes shall be deemed to be included in the costs shown under different items of the Financial Proposal. Further, all payments shall be subject to deduction of taxes at source as per applicable laws.

iii) Costs (including break down of costs) shall be expressed in INR.

8.4 AEPC reserves the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by AEPC in respect of such Proposals



## **9. Bidding process:**

9.1 In the first stage, only Technical bids will be opened for evaluation by committee

9.2 Financial bids will be opened only for bids which are technically appropriate and acceptable. The decision of the **Chairman, AEPC** in this regard will be final and no requests etc. will be entertained from the bidders.

9.3 AEPC shall award the contract to the successful bidder where bid has been determined to be technically acceptable and financial bid is lowest, provided further that the bidder is determined to be qualified to perform the contract satisfactorily.

9.4 AEPC also reserve the right to reject all the bids also without assigning any reasons to the bidders. In such event, EMD of all rejected bidders shall be returned within one week from the date of such decision.

## **10. Award of Consultancy:**

However, in the event of selection, a Letter of Award (LOA) shall be issued, in duplicate, by AEPC to the Selected Applicants and the Selected Applicants shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. The LOA shall constitute the Agreement for the purpose of this consultancy assignment. If there is any defect found in report, it should be resubmitted within one week.

## **11. Performance Security:**

AEPC shall retain by way of performance security of all the amounts due and payable to the Consultants, to be appropriated against breach of this Agreement or for recovery of liquidated damages. The balance remaining out of the performance security shall be returned to the Consultant at the expiry of the contract.

## **12. Payment Schedule:**

- i) 10% of the total contract value could be made as advance payment after receipt of confirmation of the acceptance of the work order
- ii) The payment of 70% would be made after the submission of cost data to the Drawback Directorate and announcement of new duty drawback rates for garment export sector by the Ministry of Finance. The balance 20% along with BG retained shall be released within 30 days from the announcement of



drawback rates or presentation of invoice whichever is later

- iii) AEPC shall cause the payment due to the Consultant to be made within 30 (thirty) days after the receipt by AEPC of duly completed bills with necessary particulars.

**13. Validity of the Proposal:**

The proposal shall be valid for a period not less than 180 days from the due date for receiving the proposal.

**14. Conflict of Interest**

An Applicant shall not have a conflict of interest that may affect the selection process or the consultancy. An applicant found to have a conflict of interest shall be disqualified during the bidding process or the consultancy terminated after the issue of LOA, as the case may be.

**15. Right to reject any or all Proposals:**

15.1 AEPC reserves the right to reject any Proposal if:

- i) at any time, a material misrepresentation is made or uncovered, or
- ii) the applicant does not provide, within the time specified by AEPC, the supplemental information sought by the AEPC for evaluation of the Proposal.

15.2 Notwithstanding anything contained in this RPF, AEPC reserves the right to accept or reject any Proposal and to the Selection Process and reject all Proposals, any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

**15.3 Arbitration**

If any dispute or difference of any kind whatsoever arises between AEPC and the selected agency, the same shall be referred for arbitration to Chairman-AEPC as sole arbitrator and his decision shall be final and binding on both the parties.



## **16. Submission of Proposal**

Interested firms may send their applications in the enclosed formats and shall reach by **4.00 PM on 2 June, 2018** at the following address.

Ms. Chandrima Chatterjee  
Advisor, AEPC

Apparel Export Promotion Council  
Apparel House, Institutional Area  
Sector 44, Gurgaon - 122003  
Tel: 0124-2708035/8197

## **17. Late Proposals:**

17.1 Proposals received by AEPC after the specified time on the due date shall not be eligible for consideration and shall be summarily rejected.

17.2 Any alteration / modification in the Proposal or additional information or material supplied subsequent to the due date, unless the same has been expressly sought for by AEPC, shall be disregarded.

## **18. Proprietary data:**

All documents and other information provided by AEPC or submitted by an Applicant to AEPC shall remain or become the property of AEPC. Applicants are to treat all information as strictly confidential. AEPC will not return any Proposal or any information related thereto. All information collected, analyzed, processed or in whatever manner provided by the Consultancy Firm to AEPC in relation to the assignment shall be the property of AEPC.

## **19. Penalty for error/variation:**

In case any error or variation is detected in the reports submitted by the Consultant and such error or variation is the result of negligence or lack of due diligence on the part of the Consultant, the consequential damages thereof shall be quantified by AEPC in a reasonable manner and recovered from the Consultant from payments due to him by way of penalty, subject to a maximum of 20% (twenty per cent) of the contract value.



**20 Liquidated Damages for delay:**

In case of delay in completion of Services, liquidated damages not exceeding an amount equal to

0.2% (zero point two per cent) of the assignment value per day, subject to a maximum of 10% (ten per cent) of the assignment value, shall be recovered from the payment due to the Consultant. However, in case of delay due to reasons beyond the control of the Consultant, suitable extension of time shall be granted by AEPC.

**21. Appropriation of Performance Security:**

AEPC shall have the right to appropriate the performance security, in whole or in part, without notice to the Consultant in the event of breach of Agreement or for recovery of liquidated damages.

**(Chandrima Chatterjee)**  
Advisor, AEPC



## Terms of Reference (TOR)

### 1. GENERAL

1.1 The AEPC seeks the services of qualified firms for Collection and Compilation of All Industry Duty Drawback Cost Data for the year 2018-19.

1.2 The drawback rates are to be determined on the basis of customs duty on the inputs and central excise duty on petroleum products.

1.3 The Council collects the data extensively from various manufacturer exporters of the industry scattered all over India in respect of readymade garments (Chapter 61 & 62).

1.4 The Terms of Reference (the “TOR”) for this assignment are specified below.

### 2. OBJECTIVE

Preparing a Report on Collection and Compilation of All Industry Duty Drawback Cost Data for the year 2018-19 and presenting an analysis of the same to the policy makers with the view to propose all industry drawback rate for 2018-19. This would be in line with the requirement specified in CBEC/Drawback Division's letter No. 609/27/2018-DBK dated 12<sup>th</sup> April, 2018 (link of the letter <http://www.cbec.gov.in/resources/htdocs-cbec/provsn-data-dbk-A-2018.pdf;jsessionid=60A805880D2EF9712D6F60C68B1361C5>)

### 3. SCOPE OF SERVICES

3.1 Collection of Data from all over India covering all products of readymade garment sector (Chapter 61 & 62).

- i. To visit personally Council's Exporters in Tirupur, Mumbai, Ludhiana, Chennai, Bangalore, Noida, Gurgaon, Faridabad, Delhi etc.
- ii. Preparation of application for at least 300 Data for presentation in Ministry for about 15 types of representation of garment





- iii. The data collection should be w.r.t inputs used in the manufacture and the respective export products in the specified Proforma comprising three parts viz. Proforma – I(A) & (B), II and III. The consumption of input materials and incidence of duties against the export of a particular product is to be filled in Proforma I. Proforma II requires information on the actual cost, including the break up, incurred for making the export product and the sales realization on such export product. Proforma III requires details of captive power used for manufacturing the export product.
- iv. To get Data verified and examined for Certification from Chartered Accountant
- v. The Terms of reference include requirement of data as per requirement of from O/o Joint Secretary (Drawback), Ministry of Finance letter which is mentioned above
- vi. Data collected should be for the period October, 2017 to March, 2018 for each major item of final product. This should list all principal material inputs, which go into the manufacture of the final product. It will not include common utility like electricity, fuel etc.
- vii. The Consultant shall provide details of inputs, unit, total quantity of input, total quantity of domestic production, rate of import duty, rate of excise duty.
- viii. The Consultant shall compile summary cost sheet as Rs. Per/unit output. It will include average of October, 2017 to March, 2018 or most recent quarter for each company & product wise. It will have components of material cost of principal items, fuel, electricity, coal, coke etc; salaries, wages & other overhead expenses (allocated/apportioned as is the costing practice adopted by the unit for MIS, inventory valuation); Total cost of sales (as estimated as per costing practice adopted by the unit for MIS, inventory valuation); domestic sales price, FOB realization.
- xi) The details of captive power used for the manufacturing of export product for the period October, 2017 to March, 2018
- ix. The Consultant has to ensure that :-
  - (a) Data provided is representative and complete for October, 2017 to March, 2018
  - (b) The data is for at least from 5 units for each export product
  - (c) The units should be from small, medium and large exporters
  - (d) The data is to be confirmed by the manufacturer & its CA
- x. The proforma/data is required to be supported by documents like Bill of Entry, Shipping Bill, Invoices. The data must pertain to those manufacturers/units which are ready to have their records and production process, subjected to inspection by the customs/excise authorities for the purpose of verifying correctness.
- xi. In addition to this any information decided by drawback Deptt./presentation/facts shall be the responsibility of consultant to provide to AEPC/Drawback Deptt.



- xii. The drawback department normally gives a date of submission of data, complete in all respect. The consultant should be able to provide the same in this schedule. In current period, it is yet to be announced by the Govt. The Consultant may keep this in mind.

### **3.2 To prepare Presentation after compiling the Data.**

- i. Presentation to Industry on Technical points for their presentation before the Ministry, as to be decided by AEPC.
- ii. To visit the Ministry from time to time and clarify their doubts. Support the basis of data working, Data amendment, duty payments/involvement correlation, inputs consumptions, Garment wise clarification/explanations till the working is finally approved for putting up to the Board.
- iii. Presentation in Tirupur and Mumbai or any other places if required (One visit in each city is expected)

### **4. Deliverables:**

- a. A report compiling relevant, representative and positive data for determination of drawback rate that can be presented to policy makers.
- b. The report to include analysis of the data with a view to enable AEPC to make recommendation for positive changes in drawback rate.
- c. An effective presentation based on the report for representing the garment industry's request for determining all industry drawback rates that increases competitiveness of the garment industry.

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