



TRADING CORPORATION OF PAKISTAN (PVT.) LIMITED

MINISTRY OF COMMERCE

No. TCP/LCP&QAD/Cot-02/2023-24

21st July, 2023

REQUEST FOR PROPOSAL

Subject: **HIRING THE SERVICES OF COTTON PROCUREMENT FIRM (CPF) FOR THE CROP YEAR 2023-24**

Trading Corporation of Pakistan invites sealed proposals for hiring the services of Cotton Procurement Firm for procurement of upto One Million bales of cotton (Lint) of the crop year 2023-24 from the Pre-Selected cotton ginning factories in Pakistan and deliver the same to TCP's designated Warehouses/Godowns. The Cotton Procurement Firm must have five (05) years of experience in the relevant field and be registered with Security Exchange Commission of Pakistan (SECP), Pakistan Standard Quality Control Authority (PSQCA), Karachi Chamber of Commerce & Industries (KCCI), Karachi Cotton Association (KCA), International Cotton Association (ICA) and have Accreditation of ISO/IEC: 17020 as well as registered with the Income Tax and Sales Tax Authorities and should be in FBR active taxpayer list at the time of submission of Bids.

2. **Bidding will be conducted under Rule 36(b) of the Public Procurement Rules 2004 i.e., Single Stage Two Envelop procedure.**

3. Interested Firms, who meet the qualification criteria mentioned in the Request for Proposal (RFP), may submit their proposals containing Two (2) separate envelopes in respect of Technical Proposal and Financial Proposal (clearly marked on each envelop), which shall be dropped in the Tender Box placed at the Reception Counter of TCP at 4th Floor, Block-B, Finance & Trade Center, Shahr-e-Faisal, Karachi on **7th August, 2023 at 10:30 am**. The Technical Proposals shall be opened in the TCP's Board Room on the same day at **11:00 am**, in the presence of bidders or their Authorized Representatives who may wish to be present. Financial Proposal in respect of technically responsive firms only shall be opened later on in presence of bidders or their Authorized Representatives.

4. Bid(s) must be accompanied with an Earnest Money of **Rs. 2,000,000/= (Rupees Two Million Only)** in the form of Pay Order/Bank Draft/Bank Guarantee from 'A' rated scheduled Bank in Pakistan in favour of Trading Corporation of Pakistan (Pvt) Ltd, Karachi. Bids not accompanied with the required earnest money shall not be considered.

5. Documents containing detailed Terms and Conditions can be purchased on payment of Rs.2,000/- (non refundable) w.e.f. **24th July, 2023**, on all working days (Monday to Friday from 8:00 a.m. to 4:00 p.m.) from following offices or can be downloaded from TCP's website (www.tcp.gov.pk) as well as PPRA's website (www.ppra.org.pk) till **10:00 am on 7th August, 2023** for which a separate pay order of Rs.2,000/- should be submitted along with the bid documents, otherwise the bid(s) will be declared non-responsive:-

- Cash Section, Trading Corporation of Pakistan (Pvt.) Ltd, 4th Floor, Block-B, Finance & Trade Centre, Shahr-e-Faisal, Karachi, Pakistan (Phone: 021-99202947-49 Ext.: 235).
- Regional Office, Trading Corporation of Pakistan (Pvt.) Ltd., 2nd Floor, LDA Plaza, Egerton Road, Lahore (Phone: 042-99206065-7).
- Regional Office, Trading Corporation of Pakistan (Pvt.) Ltd., House No. 47, Street-II, PHAF Residencia, Kurri Road, Islamabad (Phone: 051-9222441-2).
- Sub-Regional Office, Trading Corporation of Pakistan (Pvt.) Ltd., Plot # 26-30, Industrial Estate, Multan. (Ph # 0300-7317240).

6. **A Pre-Bid meeting shall be held on 31st July, 2023 in the Board Room of TCP's Head Office, Karachi at 11:00 am, interested bidders are encouraged to participate.**

7. TCP reserves the right to accept or reject any or all proposals as per provisions of PPRA Rules, 2004.

(Sher Muhammad Mahan)
DGM Incharge (LCP&QAD)
021-99202726





TRADING CORPORATION OF PAKISTAN (PVT) LIMITED
MINISTRY OF COMMERCE
GOVERNMENT OF PAKISTAN

REQUEST FOR PROPOSAL (RFP)

HIRING THE SERVICES OF COTTON PROCUREMENT FIRM (CPF) FOR
PROCUREMENT OF UPTO ONE (01) MILLION BALES OF LINT COTTON

SINGLE STAGE-TWO ENVELOPES

BIDDING AND CONTRACT DOCUMENT

Deputy General Manager (Incharge)
Local Commodity Procurement & Quality Assurance Division
FTC Building, Block-B, 4th Floor,
Main Sharah-e-Faisal, Karachi, Pakistan



1. **INSTRUCTION TO THE BIDDERS:**

- 1.1 Trading Corporation of Pakistan (Pvt.) Ltd. (TCP) Karachi invites sealed bids for hiring the services of Cotton Procurement Firm (CPF) for procurement of upto one (01) million bales of lint cotton from the active cotton ginning factories of Pakistan and deliver the same to TCP's designated warehouses/godowns. The Cotton Procurement Firm must have **Five (05)** years of experience in the relevant field, and registered with Income Tax and Sales Tax Authorities and should be in FBR's active taxpayer list at the time of award.
- 1.2 **Bidding will be conducted under Rule 36(b) of the Public Procurement Rules 2004 i.e., Single Stage Two Envelope procedure.**
- 1.3 Interested Firms, who meet the qualification criteria, may submit their sealed offer/bids comprising of **Two (2) separate envelopes in respect of Technical and Financial Proposals (clearly marked on each envelope)** to be dropped in the Tender Box placed at the Reception Counter of TCP at 4th Floor, Block-B, Finance & Trade Center, Shahrah-e-Faisal, Karachi on **7th August, 2023 at 10:30 am**. The Technical Proposals shall be opened in the TCP's Board Room on the same day at **11:00 am**, in the presence of bidders or their authorized representatives who may wish to be present. Financial Proposal of technically responsive firms only shall be opened later on in the presence of the authorized representatives, schedule of which shall be communicated accordingly.
- 1.4 The Bids must be accompanied with an Earnest / Bid Money of **Rs. 2,000,000/= (Rupees Two Million Only)** in the form of Pay Order/Bank Draft/Bank Guarantee from 'A' Rated Bank in Pakistan in favor of Trading Corporation of Pakistan (Pvt) Ltd, Karachi. The Bids without the Earnest / Bid Money will be declared as non-responsive and liable to be returned.
- 1.5 A Pre-bid meeting shall be held on **31st July, 2023 in the Board Room of TCP's Head Office, Karachi at 11:00 am** interested bidders are encouraged to participate.
- 1.6 The Cotton Procurement Firm who are individually and/or collectively blacklisted, declared defaulter, suspended or terminated due to poor performance from any Public Sector Organization, Government Body and/or Government Department are not eligible.
- 1.7 **The Bidder will be required to give presentation on its technical Bid and on its working methodology as and when requested by the Bid Evaluation Committee of TCP. The presentation is part of evaluation criteria having score of 30 marks.**
- 1.8 The Technical Bid declared successful by the Bid Evaluation Committee of TCP will be informed along with the date, time and venue for opening of Financial Bids, whereas Financial Bids of technically unsuccessful bidders will be returned unopened with the intimation of their failure.
- 1.9 TCP reserves the right to accept or reject any or all offers as per provisions of PPRA Rules, 2004.

2. **BIDDING DOCUMENT:**

2.1 **The bidding document, in addition to Invitation for Bids is stated below:**

- i) Technical proposal
- ii) Financial Proposal



2.2 **Technical Proposal:**

- i) Mandatory requirements (**As mentioned in Clause-3**)
- ii) Firm financial soundness status (**As mentioned in Clause-3**)
- iii) Integrity Pact (**As mentioned in Clause-10**)
- iv) Contract Agreement between TCP and CPF (**As mentioned in Clause-10**)

2.3 **Financial Proposal:**

Bid Form/Financial Proposal [**As mentioned in Clause-3.2**]

3. **MANDATORY REQUIREMENTS/ELIGIBILITY:**

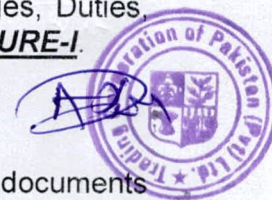
3.1 The CPF shall be required to submit the following to be eligible with their technical bid:

- a) Registered with SECP and PSQCA having valid registration certificate.
- b) ISO/IEC: 17020 Accredited.
- c) The firm must be registered with Karachi Chamber of Commerce & Industries (KCCI), Karachi Cotton Association (KCA) and International Cotton Association (ICA).
- d) Details of at least Five (05) years' experience in Raw Cotton Quality Assurance alongwith certificate(s)/proof(s);
- e) Detail of Contracts awarded and completed in the last Three (03) years;
- f) Copy of valid NTN Certificate;
- g) Copy of Sales Tax Registration Certificate;
- h) Copy of last Three (03) years Tax Returns;
- i) Curriculum Vitae (CV) of experienced classers appointed by the bidder;
- j) Earnest Money as per Clause-8 below.;
- k) Original receipt in respect of RFP Document charges;
- l) Undertaking on Stamp Paper that bidder is not blacklisted/defaulted with any Government/Semi Government Organizations including TCP;
- m) The Bidder will sign/stamp each page of the RFP Documents as acceptance of Terms & Condition;
- n) Company Profile along with name and address of the Firm with telephone, mobile, fax number and email address, along with the names, CNIC and Mobile numbers of relevant employees.
- o) Documentation showing annual turnover in each of the last 3 years between Rs.50 to Rs.100 million.
- p) Firm's/Company's Financial Audit Reports for last three years duly certified by a Chartered Accountant Firm.
- q) Financial Status Report of the company about its financial standing and business integrity by the company's bank on its letter head along with bank statement showing trace of transactions for last six months.
- r) TCP reserve rights to obtain clarification from the entity at any time, even while considering the bid(s).
- s) Bidder may like to submit any other information/documents in support of their bid.

Note: All the above document/information are mandatory for submission of bids. Any condition with offer/bid shall attract declaration of bid as non-responsive.

3.2 Each Bidder submit their Financial Bid as defined under:

The Price/Rate in the Financial Proposal should be quoted in Pak Rupees on the basis of Per Bale/per lot of 100 bales, (inclusive of Sampling, Testing, Loading charges, Duties, Taxes and all other expenses whatsoever as per terms of RFP), as per **ANNEXURE-I**.



4. CLARIFICATION OF BIDDING DOCUMENT:

- 4.1 Any prospective Bidder requiring any clarification(s) in respect of the bidding documents may notify the Corporation in writing at the address:

Deputy General Manager (Incharge), LCP&QA Division,
Trading Corporation of Pakistan (Pvt) Ltd
FTC Building, Block-B, 4TH Floor,
Main Shahrah-e-Faisal
Karachi, Pakistan
Phone #: +92-21-99202726
Email: shermahar@tcp.gov.pk

- 4.2 The Corporation would only respond to the clarification requests which are received seven (07) days prior to the deadline for submission of bids.

5. INELIGIBILITY:

- 5.1 Cotton Procurement Firm not on the active taxpayers list is not eligible.
5.2 Bid not complying with the instructions or submitted conditionally or submitted without required documents or required Bid/Earnest Money are liable to be rejected.

6. VALIDITY OF OFFER(S):

The offer(s) shall remain valid for acceptance for **30 working days** w.e.f. the date of opening of tender.

7. EVALUATION CRITERIA:

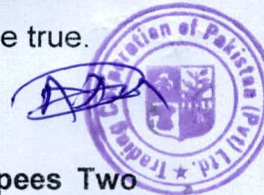
| S.NO. | BREAKDOWN OF CRITERIA | MAX POINTS |
|-----------|--|-----------------|
| I. | TECHNICAL SOUNDNESS STATUS | 40 Marks |
| A | Year of PSQCA Registration (Registration Date) – registration certificate must be provided as evidence | 5 |
| A-1 | More than 5 Years | 5 |
| A-2 | (5-10 years) 3 | 3 |
| A-3 | (1-5 years) 2 | 2 |
| A-4 | Less than 1 year 1 | 1 |
| B | Proof of Company's ISO/IEC 17020: 2012 Accreditation | 5 |
| B-1 | Valid for 2023 accreditation from National/International Body 5 | 5 |
| B-2 | Invalid/not available | 0 |
| C | Membership | 5 |
| C-1 | Membership with Karachi Chamber of Association (KCCI) | 2 |
| C-2 | Membership with Karachi Cotton Association (KCA) | 2 |
| C-3 | Membership with International Cotton Association (ICA) | 1 |
| C-4 | No evidence of membership | 0 |
| D | Experience in handling of Raw Cotton Consignments/activities | 10 |
| D-1 | Experience: Details of consignments completed during last Three (03) years, Names and Contacts of Clients (for reference check), please specify in details, project type, Organizations to work with, Quantity | 10 |

| | | |
|--------------------|--|-----------------|
| | (number of bales) executed. | |
| E | Personnel Details (Number of Technical and support staff) – Please attach the CV's of staff | 10 |
| E-1 | The staff dedicated to this assignment is qualified and have sufficient experience in handling such type of Assignments. The Firm must submit evidence of having its presence in all provinces of Pakistan i.e. Punjab, Sindh and Balochistan. | 10 |
| F | Company's Quality Management Aspect | 5 |
| F-1 | Internal quality assurance policy, record of data, procedure followed by the company, Code of Conduct / Ethics etc. | 5 |
| II. | FINANCIAL SOUNDNESS STATUS | 30 Marks |
| A-1 | Documentation showing annual turnover in each of the last 3 years between Rs.50 to Rs.100 million. | 10 |
| A-2 | Firms/Company's Financial Audit Reports for last three years duly certified by a Chartered Accountant Firm. | 10 |
| A-3 | Firms/Company's Bank Statements for last three years along with concerned Banks cover letter. Financial status report of the Firm about its financial standing and business integrity. The financial worthiness certificate from the concerned bank on its letter head stating the financial health of the Firm. | 10 |
| III. | PRESENTATION ON TECHNICAL BID | 30 Marks |
| A-1 | Firms will be required to do a presentation to the Bid Evaluation Committee (BEC) and Management of TCP on Technical Bid. | 30 |
| TOTAL MARKS | | 100 |

Note:

- i) The bidder is required to meet Mandatory requirements and enclose the documents/information as mentioned in the Clause-3 of RFP otherwise the offer shall be considered as non-responsive.
- ii) Whereas, the minimum threshold of qualifying marks in technical evaluation is minimum 75 marks. The Bidder acquiring below 75 marks shall be declared as non-responsive.
- iii) The technical evaluation will be carried out only for those bidder(s) who qualifies the requirements mentioned at Clause-3 of RFP Document.
- iv) Failure to complete the requirement as specified in the document and/or to provide written answers to any further questions or requested additional information for clarification will result in elimination from further consideration.
- v) The sealed bids will be opened by the Bid Opening Committee (BOC) constituted by the TCP's Management for this purpose and shall be examined by the Bid Evaluation Committee (BEC) in accordance with requirement as detailed in the RFP Document as well as in accordance with the relevant rules, regulations and instructions laid down by the Public Procurement Regulatory Authority (PPRA).
- vi) TCP will have the right to examine / verify all documents relating to the performance of such services to determine capability.
- vii) TCP will have the right to inspect the business premises of the applicant at any time and to see the available resources, if deemed appropriate.
- viii) TCP's decision shall be final for hiring services of Cotton Procurement Firm, TCP reserve the right to accept/reject the request, if deemed appropriate, subject to approval by the Competent Authority of the Corporation.
- ix) Bids will be evaluated solely on quality of the services being offered as well as the cost thereof, subject to their conformity with terms and conditions of bid/RFP Documents. Any condition, alteration, overwriting etc., will attract declaration of the offer as non-responsive.
- x) Any information/document can be verified by TCP at any stage and the bidder will be

disqualified/blacklisted if the information/documents found fake and not to be true.



8. **BID SECURITY/EARNEST MONEY:**

- 8.1 Bid(s) must be accompanied with an Earnest Money of **Rs.2,000,000/= (Rupees Two Million Only)** in the form of Pay Order/Bank Draft/Bank Guarantee (**ANNEXURE-II**) from "A" rated Bank in Pakistan from a scheduled Bank in Pakistan in favour of Trading Corporation of Pakistan (Pvt) Ltd, Karachi. Bids not accompanied with the required earnest money shall not be considered.
- 8.2 Earnest Money of unsuccessful bidders shall be returned within fourteen (14) days of finalization of tender.
- 8.3 The Bid security of the successful Bidders will be returned when the Bidder has furnished the required Performance Security and signed the Contract Agreement.
- 8.4 The Bid Security may be forfeited, in the case successful Bidder fails to furnish the required Performance Security and sign the Contract Agreement, within the specified time limit.

9. **PERFORMANCE SECURITY/GUARANTEE:**

- 9.1 Successful Bidder will be required to furnish a **Performance Guarantee (ANNEXURE-III) equivalent to 5% of the Total Value of the Service Charges (rate offered per bale x 1,000,000 bales) against the Contracted Quantity** in the form of Pay Order/Bank Draft/Bank Guarantee from "A" rated scheduled Bank in Pakistan in Pak Rupees in favour of Trading Corporation of Pakistan (Pvt) Ltd., for due and satisfactory performance against the Award of Contract/Work.
- 9.2 The bidder shall submit Performance Guarantee within **Five (05) Working Days** of Award of Contract/Work including the day of issuance of award letter.
- 9.3 The Performance Guarantee shall be released after successful completion of contract, subject to satisfactory performance of the Cotton Procurement Firm as per Contract Agreement.
- 9.4 No claim shall be liable against the TCP in respect of interest on Performance Guarantee regardless of the time of its release.
- 9.5 In case of delay in settlement of the TCP's claims against the stocks with the Cotton Procurement Firm, the Performance Guarantee of the Cotton Procurement Firms can be withheld by the TCP till settlement of the claim(s).

10. **SIGNING OF CONTRACT / AGREEMENT BETWEEN TCP AND CPF:**

The Cotton Procurement Firm shall sign the Contract Agreement with TCP within three (3) calendar days after submission of Performance Guarantee and also submit the Integrity Pact as per **ANNEXURE-IV** and shall be responsible to complete all documents, as notified from time to time. RFP Documents, invitation of bids and integrity pact shall be an integral part of the contract. The format of Contract Agreement to be signed with the successful bidder is attached at **ANNEXURE-V**.

11. **JOB DESCRIPTION / SCOPE OF WORK OF CPF:**

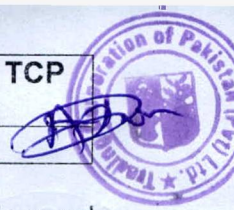
- 11.1 The CPF will initiate the process of inspection of lint cotton bales upon offers received by TCP from the Ginning Factories through dedicated software. The procurement will be done on the method of FCFS (first come first serve basis).
- 11.2 The TCP will sign Purchase Contract with the Ginning Factory/Seller. **Copy of the same shall be provided to CPF for compliance.**



- 11.3 The Cotton Procurement Firm will undertake survey of all identified ginning factories and will submit a weekly report to General Manager/DGM Incharge (LCP&QAD), Head Office Karachi, giving the following information: -
- 11.3.1 Total Phutti arrivals (equivalent to bales).
 - 11.3.2 Total ginned (in bales).
 - 11.3.3 Sold to textile mills/private exporters (in bales).
 - 11.3.4 Quantity purchased for TCP.
 - 11.3.5 Quantity delivered to TCP.
 - 11.3.6 Un-ginned stocks.
 - 11.3.7 Quality of stocks/in term of PCSI Grade Boxes.
- 11.4 Sample weighing about 1-1/2 kgs per bale from 10 bales (10%) shall be drawn per lot of 100 bales or less. For sampling, the lot of 100 bales shall be divided proportionately into three parts, from bale Nos. 1-33 one portion, bale Nos. 34-66 second portion and bale Nos. 67-100 third portion and one sample drawn from each portion. The Cotton Procurement Firm should be very careful in drawing the correct samples as per above procedure.
- 11.5 Before drawing samples, the Cotton Procurement Firm will ensure that the bales do not contain moisture exceeding 8.5%. In case moisture level is higher than 8.5%, sampling/weightment shall not be conducted.
- 11.6 TCP Lot Numbers will be provided to CPF by the concerned division of TCP. Duplication of TCP Lot Numbers must be strictly avoided.
- 11.7 CPF to ensure Marking on bales should be properly marked clearly indicating the Seller's Factory Name, Factory Lot No., TCP Lot No., Press Serial No., Bale Running Number, Crop Year and Station. The grade and staple length on each bale should also be marked by Ginners.
- 11.8 Sample bales shall invariably be stamped as "**Sampled**" with RED indelible ink. Sampled bales shall be repressed immediately in the presence of the representative of CPF. If press is not operating, the sampled bales must be covered with wrapping and stitched properly before the representative leaves factory so that cotton does not pour out and may not be wasted.
- 11.9 Once the samples have been drawn, the CPF will prepare the Sample Drawing Slip indicating the following: -
- 11.9.1 Ginning Factory's / Seller's name.
 - 11.9.2 Station.
 - 11.9.3 Factory lot number.
 - 11.9.4 TCP lot number
 - 11.9.5 Sampled bale number
 - 11.9.6 Crop year.
- 11.10 The Sample Drawing Slips shall be duly signed and stamped by the CPF and Ginning Factory, clearly indicating the name and status of the signatory.
- 11.11 The CPF will draw **3 set of samples from each lot will be drawn and dispatched, in following manner:**
- 11.11.1 Set-1: will be submitted to lab for HVI and Trash testing from PCSI/KCA approved Labs.
 - 11.11.2 Set-2: will be dispatched to TCP for their record.
 - 11.11.3 Set-3: will be retained by inspection body unless instructed otherwise it will be disposed off after 30 days.
- 11.12 The Cotton Procurement Firm will prepare and send the Evaluation Report signed and stamped, duplicate copy of the Sample Drawing Slip to the TCP in a wrapper, properly sealed along with a statement in the following form, failing which cost of samples will be recovered from the Firm. A proper record of all samples should also be maintained by the CPF.

| BALES | WEIGHT OF | SAMPLES SENT TO | SAMPLES NOW BEING |
|-------|-----------|-----------------|-------------------|
|-------|-----------|-----------------|-------------------|

| PURCHASE D | SAMPLE DRAWN | TCP AFTER EVALUATION | DEPOSITED WITH TCP |
|---------------|-----------------|-------------------------|--------------------|
| | | | |



11.13 The cotton Evaluation Report in the prescribed form will be prepared, signed and stamped by the Cotton Procurement Firm. The distribution of Evaluation Report will be as follows: -

- 11.13.1 Original - To TCP concerned division i.e LCP&QAD immediately after evaluation;
 11.13.2 Duplicate - To TCP concerned division i.e LCP&QAD for advance payment bill.
 11.13.3 Triplicate - Cotton Procurement Firm's copy.

11.14 The Evaluation Report will be serially numbered.

11.15 In addition, the CPF will issue a certificate after entire satisfaction for quality& quantity as per below given specimen: -

SPECIMEN OF CERTIFICATE OF QUALITY AND QUANTITY

| S.NO | A | B | C | D | E | F |
|------|--------------------------------------|---------|--------------------------|-------------------|--------------|---------------------------|
| 1 | NAME OF GINNING FACTORY/SELLER | STATION | FACTORY LOT NUMBER | TCP LOT NUMBER | CROP YEAR | SAMPLED BALE NUMBER |

Note: HIV/TRASH REPORT TO BE REPRODUCED HEREUNDER

| S.NO | A | B | C | D | E | F |
|------|--------------------------------------|---------|--------------------------|-------------------|--------------|---------------------------|
| 2 | NAME OF GINNING FACTORY/SELLER | STATION | FACTORY LOT NUMBER | TCP LOT NUMBER | CROP YEAR | SAMPLED BALE NUMBER |

Note: HIV/TRASH REPORT TO BE REPRODUCED HEREUNDER

| S.NO | A | B | C | D | E | F |
|------|--------------------------------------|---------|--------------------------|-------------------|--------------|---------------------------|
| 3 | NAME OF GINNING FACTORY/SELLER | STATION | FACTORY LOT NUMBER | TCP LOT NUMBER | CROP YEAR | SAMPLED BALE NUMBER |

Note: HIV/TRASH REPORT TO BE REPRODUCED HEREUNDER

X.....X

11.16 Evaluation of cotton shall be strictly according to the Government policy and will be based on the "PCSI Grade Boxes for the year 2023-24".

11.17 The CPF shall maintain the record of evaluation, party-wise and contract-wise mentioning serial number of evaluation slip as per instructions of the TCP and shall also maintain the register named, "Purchase, Dispatch and Stock Register" (Seller-wise).

11.18 If the weather is cloudy, there would be no weighment. The weighment will be stopped immediately if there is sudden rain. If there was a rain earlier, the weighment will be done only after the bales have properly dried-up.

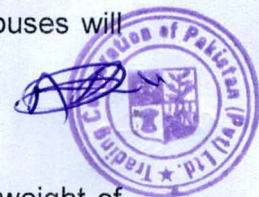
11.19 The sample of the Ten (10%) selected bales should be done through bale breaking of sampled bales of the lot should be produced by the Seller and weighment of lot should be done after proper hooking of each bale to ensure that the quality of the bales is not lower than the Lowest of the sampled bales. If any of the bale is found to be lower than the lowest of the bales sampled, or the CPF feels that some substitution has taken place, they should not conduct weighment.

11.20 The bale weight should be 170 kgs with variation not exceeding (-/+) 3% and weight of one



- lot of 100 bales is 17,000 kgs. Ginner to arrange calibrated weighing scale alongwith certificate.
- 11.21 The Cotton Procurement Firm will ensure that new hoops / bale ties and new cotton cloth of required thickness as mentioned in the contract have been used for covering the bales from all six sides. The CPF will point out the following in the Delivery Certificate:-
- 11.21.1 Whether the bales are covered from all six sides.
 - 11.21.2 Weather hoops/bale ties are of required specifications.
 - 11.21.3 Whether COTTON CLOTH is new with required specifications.
 - 11.21.4 Whether bale marking is legible. (If the marking is not legible, the CPF must get the marking re-done).
 - 11.21.5 Whether lots have been stacked on pucca platform on bricks or not?
 - 11.21.6 How many bales are burst?
- 11.22 The CPF shall ascertain the actual tare weight lot wise 5% by bale breaking by weighing the hoops/bale ties and cotton cloth used on the bales of a lot. If difference in tare is found, the difference will be clearly mentioned on the Weight Report.
- 11.23 The CPF shall prepare and issue the "Dispatch Order duly signed and stamped, which he will submit to the Seller for dispatches. Copy of dispatch order will be sent to the concerned division i.e. LCP&QAD" of TCP.
- 11.24 The Ginner/Seller shall provide the documents with the bill in duplicate to TCP as mentioned in the Purchase Contract.
- 11.25 The Cotton Procurement Firms will ensure that after completion of all formalities i.e., sampling and 100% weighment through bale by bale or through trawlers weighbridge, properly calibrated and standardized using dead weights by a certifying body, shall be done at commercial scale/weighbridge (preferably on two different weighing scales) of cotton and the lots are dispatched to TCP storage points after issuance of Dispatch Order by CPF.
- 11.26 Transportation charges must be communicated by the ginner in advance. TCP would convey its agreement to the charges which will be reimbursed to the ginning factories/seller after final payment of cotton on presentation of bill alongwith relevant documents i.e. bulity, store receipt etc., whereas taxes shall apply and to be deducted from the payments of Seller as per law. However, Transit Insurance (fire-theft-accident) charges from factory to TCP storage points will be paid by the Ginning Factory / Seller.
- 11.27 The Adhoc payment to Ginning Factory / Seller **(as per the instructions of Cotton Price Review Committee)** of the lot(s) will be released to the Ginning Factory/Seller after confirmation of arrival of lot(s) at TCP storage point and after its final evaluation.
- 11.28 Balance payment to the Ginning Factory/Seller will be made within a period of 30 days after proper checking of quality and 100% weight by TCP and ascertainment of tare of the lot by weighment of hoops/ties and cotton cloth for bales arrived.
- 11.29 The CPF will ensure that all cotton procured by them will be free from foreign matter, damage, stains, admixture of old or inferior crop of any description.
- 11.30 The CPF will ensure that ginner (ginning factory) must maintain a lot-wise list of cotton growers with quantity of Phutti supplied for each lot of cotton ginned.
- 11.31 The CPF will ensure fulfillment of all terms and conditions contained in the Cotton Purchase Contract by the sellers.
- 11.32 The CPF will intimate to TCP about quality, quantity and/or any other material issue, if noticed at any stage. All the important correspondence between TCP and CPF shall be made in writing against proper receipt / acknowledgement through official email address / official fax number and followed by Courier.
- 11.33 The CPF shall also be responsible for supervision (inclusive of all related duties/requirements) of same procured lint cotton at the time of its sale/export as per the directives (policy) of the Federal Government.
- 11.34 If the cotton being tendered is considered lower than contracted grade at TCP warehouse, the matter will immediately be reported by CPF to GM/Incharge LCP & QAD and the matter shall accordingly be dealt as per contract.
- 11.35 CPF will communicate Daily Operation Report (D.O.R) to G.M/Incharge (LCP&QAD) by

Email/Fax/WhatsApp or telephonically followed by written confirmation. The position of contracted quantity, the paid quantity and dispatches to TCP designated warehouses will also be mentioned in DOR.



12. PAYMENT TO CPF:

100% payment of CPF service charges will be made after final evaluation and weight of lint cotton at TCP's designated Godown subject to provision of following documents within seven days: -

- a. Invoice with covering letter both duly signed and stamped by authorized officer;
- b. Initial weight and evaluation report.
- c. Final weight and evaluation report.
- d. Certificate of Quality verifying / confirming that the quality of the inspected cotton bales/lots, are/were as per TCP's specification.
- e. Sale Tax /NTN certificate.
- f. Copy of Award letter.
- g. Copy of Agreement.

13. VALIDITY OF AGREEMENT:

The agreement/contract against this tender shall be valid for one Crop Year i.e., 2023-24 w.e.f., date of signing of agreement/contract. However, the **Cotton Procurement Firm** shall be responsible to fulfill the work in hand as per terms and conditions of the agreement. The agreement is extendable subject to approval of the competent authority of TCP.

14. RECOVERY OF LOSSES:

In case of fault/negligence/conflict of interest found on the part of **Cotton Procurement Firm**, TCP reserve the right to recover the losses from **Cotton Procurement Firm** by encashment/forfeiture of Performance Guarantee. Furthermore, TCP reserves the right to suspend/delist/blacklist the **Cotton Procurement Firm**.

15. DISPUTE RESOLUTION:

Any difference or dispute of whatsoever nature arising out of the contract or in any way relating to the contract or to its construction or fulfillment should be settled as far as possible, amicably between the Parties. If the parties fail to come to an amicable settlement the same shall be referred to the Chairman, TCP, or his nominee whose decision shall be final and binding on both the parties"

16. CANCELLATION OF CONTRACT / FORFIETURE OF PERFORMANCE GUARANTEE:

In the event of a default to perform the contract OR committing breach of any terms and condition of the Contract/Agreement, the TCP may terminate the contract, forfeit/encash the Performance Guarantee and/or blacklist the Company. TCP also reserves the right to claim its damages through the Court of Law.



To be Printed on Company's Letter Head

TRADING CORPORATION OF PAKISTAN PRIVATE LIMITED

BID FORM FOR COTTON PROCUREMENT FIRM

Reference your advertisement which appeared in the daily ----- dated ----- we offer the following rates in Pak Rupees on the basis of Per Bale (for all duties/responsibilities mentioned in the RFP inclusive of all Government Duties/Taxes and all other expenses whatsoever).

| FUNCTIONS | PARTICULARS | Rates Per Bale (For all duties / responsibilities mentioned in the RFP inclusive of all Government Duties/Taxes and all other expenses whatsoever) (In PKR) | Rates Per Bale (For all duties / responsibilities mentioned in the RFP inclusive of all Government Duties/Taxes and all other expenses whatsoever) (In PKR) | Rates Per Bale (For all duties / responsibilities mentioned in the RFP inclusive of all Government Duties/Taxes and all other expenses whatsoever) (In PKR) |
|---|---|--|--|--|
| | | At the time of Purchase (Sampling, Testing, Loading supervision & Unloading Supervision at TCP Warehouses) | At the time of Sale (TCP Warehouses (Sampling, Testing, Loading supervision) | In-case of Rejection at Ginner/Seller site (only for Sampled Bales). |
| All functions as mentioned in the RFP Document. | For procurement of lint cotton in Sindh Province | Rs. _____ Per Bale | Rs. _____ Per Bale | Rs. _____ Per Sampled Bale |
| | For procurement of lint cotton in Punjab Province | Rs. _____ Per Bale | Rs. _____ Per Bale | Rs. _____ Per Sampled Bale |

2. We have thoroughly read the RFP Notice and it's all Terms and Conditions. We also confirm that we shall abide by all the terms and conditions of RFP, un-conditionally.

Signature: -----

Name: -----

CNIC No: -----

Designation: -----

Company: -----

NTN No: -----

Date: -----

Stamp: -----

BANK GUARANTEE FORM IN RESPECT OF EARNEST MONEY
(To be furnished on Stamp Paper of appropriate value)



The Trading Corporation of Pakistan (Pvt.) Limited,
Finance & Trade Centre,
Sharea Faisal,
Karachi.

M/s. _____ (hereinafter called as the Cotton Procurement Firm) is submitting their offer against RFP No. _____ dated _____ and have requested us to issue a Bank Guarantee for an amount of Rs. _____ in your favour as earnest money to ensure their compliance with conditions of the RFP.

2. Therefore, we hereby agree to make an unconditional payment of Rs. _____ (in words) _____ to you on demand without any further question or reference to the bidders on the Bidder's failure to fulfill the terms of the RFP. The sole judge for deciding whether the bidders has failed to fulfill the terms of the RFP shall be Trading Corporation of Pakistan (Pvt.) Limited.

3. This Guarantee is valid up to _____, In case the bidders are awarded a contract for procuring cotton bales as per RFP quoted above, the Guarantee shall remain in custody of TCP upto the date of furnishing of an acceptable performance bond on TCP's prescribed form.

4. Claim if any must reach us in writing on or before the expiry date after which we shall no longer be liable to make payment to you.

5. Our liability hereunder is limited to Rs. _____.

6. - This guarantee is valid for 30 days.

Name of Bank _____

Address _____

SIGNATURE
AUTHORIZED OFFICER OF THE BANK

**** Two months from the date of opening of bids.**

TRADING CORPORATION OF PAKISTAN (PVT) LIMITED
4th Floor, Finance & Trade Centre, Sharea Faisal, Karachi



FORM OF PERFORMANCE BOND

(To be furnished on stamp paper of appropriate value)

Whereas the Trading Corporation of Pakistan (Pvt.) Limited (hereinafter referred to as the Cotton Buyer), Block-B, 4th Floor, Finance & Trade Centre, Sharea Faisal, Karachi has accepted offer for the services of M/s. _____ (hereinafter referred to as the Cotton Procurement Firm) on the terms and conditions governing the respective contract.

2. AND whereas the Cotton Procurement Firm Seller has requested **to the Bank** to issue a Guarantee for an amount of PKR. _____ Rupees _____ (in words)

3. NOW, therefore, in consideration aforesaid, we the _____ Bank Limited, hereby undertake and guarantee due performance of the contract by the Cotton Procurement Firm and compliance with RFP terms and conditions in all respects and we unconditionally and absolutely bind ourselves to the following:

- i. To make payment of PKR _____ to the Cotton Buyer, or as directed by the Cotton Buyer on the date of their receipt of demand in writing without any question whatsoever.
- ii. To keep this guarantee valid and in force for SIX (06) months after execution of contract including settlement of all claims.
- iii. To extend this guarantee for such further period or periods as may be required by the Cotton Buyer at the Cotton Buyer's sole discretion, five days before the expiry of the validity date.

4. We understand that this guarantee is unconditional and that the sole judge for deciding whether the Seller has performed the contract No..... dated and fulfilled the terms and conditions of the contract, shall be the Cotton Buyer.

5. We further understand that any grant of time or indulgence to the Cotton Procurement Firm without reference to us shall not in any manner absolve us from liability to make payment to the Cotton Buyer as stipulated under this Guarantee.

6. Our commitment under this guarantee is limited to an amount of PKR _____ (PKR _____ in words).

7. This guarantee is valid for 180 days.

SIGNED: _____

DATED: _____

PLACE: _____

("A" rated scheduled Bank in Pakistan)

TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED, KARACHI.

INTEGRITY PACT



Declaration of fees, commission and brokerage etc., payable by the Cotton Procurement Firm.

[Cotton Procurement Firm] hereby declares its intention not to obtain or induce the procurement of any contract, right, interest, privilege or other obligation or benefit from TCP through any corrupt business practice.

Without limiting the generality of the foregoing, [Cotton Procurement Firm] represents and warrants that it has fully declared the brokerage, commission, fees etc., payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kick back, whether described as consultation fee or otherwise, with the object of obtaining or including the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever from TCP, except that which has been expressly declared pursuant hereto.

[Cotton Procurement Firm] certifies that it has made and shall make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with TCP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[Cotton Procurement Firm] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to TCP under any law, contract or other installment be voidable at the option of TCP.

Not with standing any rights and remedies exercised by TCP in this regard, [Cotton Procurement Firm] agrees to indemnify TCP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to TCP in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder's fee or kickback given by [Cotton Procurement Firm] as aforesaid for the purpose of obtaining or inducing the procurement of any contractual right, interest, privilege, or other obligation or benefit in whatsoever from TCP.

TRADING CORPORATION OF PAKISTAN (PRIVATE) LIMITED
4th & 5th Floor, Finance & Trade Centre, Shahrah-e- Faisal, Karachi



CONTRACT AGREEMENT BETWEEN TCP AND COTTON PROCUREMENT FIRM M/S.....
- FOR PROCUREMENT OF OF LINT COTTON FOR THE CROP YEAR 2023-24

1. CONTRACT NO. _____ DATED _____
2. BUYER: TRADING CORPORATION OF PAKISTAN (PVT) LIMITED, KARACHI
3. COTTON PROCUREMENT FIRM : M/S _____
4. TYPE OF ORGANIZATION (SOLE PROPRIETORSHIP/PARTNERSHIP OR LIMITED COMPANY): _____
5. NATIONAL TAX NUMBER: _____
6. SALES TAX REGISTRATION NO.: _____
7. NAME OF DIRECTORS/PARTNERS/PROPRIETOR: _____
8. OFFICE ADDRESS & CONTACT DETAILS: _____
9. THE COTTON PROCUREMENT FIRM HAS AGREED TO PERFORM ITS RESPONSIBILITIES AND DUTIES AS PURCHASER OF COTTON ON BEHALF OF TCP ON THE FOLLOWING TERMS AND CONDITIONS:-

9.1 QUANTITY:

Fully pressed bales of Lint Cotton _____ (in No.) _____ (in words).

9.2 QUALITY:

- 9.2.1 Grade equal to PCSI Grade Box-III, Crop Year 2023-2024 in dry, sound, merchantable condition, having the below characteristics: -

| | | | |
|---------|--------------------|---|--------------------|
| 9.2.1.1 | Staple length | = | minimum 1-1/32" |
| 9.2.1.2 | Micronaire reading | = | 3.8 to 4.9 N.C.L. |
| 9.2.1.3 | Moisture content | = | maximum 8.5 % |
| 9.2.1.4 | Strength/Pressley | = | minimum 80,000 PSI |

- 9.2.2 - Initial quality check report will be made by TCP's nominated CPF. Final quality check will be made at TCP warehouse by a team of CPF in the presence of the representative of Ginner/PCGA to check that quality is not lower than the initial quality assessed by the CPF at the Ginning Factory. In case quality is found to be lower than the initial evaluation, the discount for Grade/Staple Length/Micronaire/Moisture and Pressley etc., prescribed by CPF on the basis of KCA discount rates valid for the date of contract will be applicable which will be binding on all concerned.

- 9.2.3 - Adequate arrangements for picking of pieces of polypropylene, polythene, hessian, twine, cloth, wrappings and yellow stains and other admixtures from seed cotton prior to ginning will be made by the Ginning Factory/Seller at their own cost.

Note: TCP reserve the rights to refuse to accept cotton not falling within above specifications.

9.3 STANDARD WEIGHT PER BALE:

170 KGS average (net) with variation not exceeding plus/minus 3% at 8.5% moisture content.

9.4 DELIVERY:

The Ginning Factory/Seller shall be responsible for arrangement of transportation and delivery of the procured lint cotton from factory to TCP's designated Warehouses/Godowns and the Ginner will be responsible for delivery of the same to be completed within 30 days, subject to contractual quantity after signing of the purchase contract with the Ginning Factory/Seller. The CPF will also be responsible for receiving of transport/goods documents at the time of unloading of lint cotton bales

and submission of the same to TCP's concerned division. Transportation charges as determined by TCP will be re-imbursed to the Ginning Factories after final payment of cotton on presentation of bills alongwith relevant documents.



9.5 **PAYMENT TO GINNERS BY TCP AGAINST THE COTTON PROCURED BY CPF:**

9.5.1 **Adhoc Payment subject to submission of following:**

- 9.5.1.1 The ginner shall submit the bills/claims for payment directly to TCP, who shall process the bills without any unnecessary delay.
- 9.5.1.2 The Cotton ginning factory, after delivery of cotton at designated TCP warehouse, shall prepare claims/bills for *adhoc* payment to the tune **as per the instructions of Cotton Price Review Committee** of total amount/claim/price (as per Contract), on the basis of 4.5 maund (167.96 Kgs) of cotton per bale or 100% weighment carried out at ginning factory by the CPF, whichever is lower.
- 9.5.1.3 CPF shall ensure that terms and conditions of the contract signed between TCP and Ginner are complied with related to specifications given in the contract including the Quality, Quantity, Packing, loading/unloading supervision and Weight.

9.5.2 The balance payment will be made within 30 days after completion of 100% weighment and final assessment of quality at TCP's designated Warehouse/Godown and on presentation of bills after making the other deductions/discounts on account of weight and quality, if applicable.

9.6 **INSURANCE:**

Transit Insurance from factory to TCP storage points shall be arranged by the Seller/Ginner.

9.7 **TAXES:**

All taxes/duties and levies will be on Seller's/Ginner's account.

9.8 **NON PERFORMANCE OF CONTRACT:**

In case, Seller fails to deliver cotton within stipulated period of **15 days** after signing of contract, the contract shall stand rescinded unless allowed by TCP.

9.9 **GENERAL TERMS AND CONDITIONS:**

9.9.1 **Marking**

The Seller and CPF will ensure that all bales are properly marked clearly indicating the Seller's Factory Name, Factory Lot No., TCP Lot No., Press Serial No., Bale Running Number, Crop Year and Station prior to drawing of sample to the satisfaction of the Buyer. CPF will not draw sample from the offered lots and will not buy which do not have legible and clear marking.

9.9.2 **Packing**

- 9.9.2.1 The bales will be fully pressed and shall be wrapped with new Cotton Cloth of 50" x 9 ozs covering all six sides of the bales and with new plastic hoops of 3/4" width, gauge ranging from 18 to 20 mm.
- 9.9.2.2 In addition to new Cotton Cloth of 50" x 9 ozs thick Cotton Cloth/Kora Latha weighing not less than One KG. Covering all six sides of the bale bound with new Plastic Hoops of 3/4" width, gauge ranging from 18 to 20mm will also be acceptable.
- 9.9.2.3 The use of bale ties of Plastic Hoops of following specifications is also acceptable as a substitute of baling hoops for binding of cotton bales for packing;

| | |
|--|--------------------------------|
| - Dia | 2.4 mm to 2.6 mm |
| - Breaking load | 750 to 775 kgs. per bale tie |
| - Tensile strength | 91.81 to 170 kg/m ² |
| - Number of independent Bale ties per bale | 08 |
| - Length of bale tie | "= 90" maximum |

Note: TCP will not buy the lots which do not have the above specified packing and marking prior to process of sampling.

9.9.3 **Sampling**

- 9.9.3.1 Pacca samples will be drawn and evaluated by the CPF. The Seller will provide labour and all assistance to the CPF for drawing samples free of charge. Three samples will be drawn from each bales and from ten bales per lot of 100 bales at minimum. Each lot of 100 bales properly marked as per (a) above will be offered by Seller to CPF for drawing samples from any bale of the lot offered. The sampled bales shall be marked "SB" with

red ink. If any variation in quality is detected at the time of weighment at commercial scale/weighbridge, the buyer will have the right to reject the entire lot.

- 9.9.3.2 At the time of final evaluation at TCP warehouse as at serial 12-e(5) of the RFP, 5% pacca sampling will be done by CPF's Classers for each lot of cotton for assessment of quality.

9.9.4 **Weighment**

- 9.9.4.1 100% weighment through bale by bale or through trawlers weighbridge properly calibrated by certifying agency, shall be done at commercial scale/weighbridge (preferably on two different weighing scales) before delivery and each bale shall be marked with fresh bale number. In case of rain, the weighment shall be conducted at least after a week of the stoppage of rain and after the CPF is satisfied that rain moisture has dried up.

- 9.9.4.2 Final weighment will be carried out at TCP's designated Warehouses/Godowns.

9.9.5 **Miscellaneous:**

The CPF will also ensure that: -

- 9.9.5.1 If the cotton being tendered is considered lower than contracted grade at TCP warehouse, the matter will immediately be reported by CPF to GM/Incharge LCP & QAD and the matter shall accordingly be dealt as per contract.

- 9.9.5.2 CPF will communicate Daily Operation Report (D.O.R) to G.M/Incharge (LCP&QAD) by Email/Fax/WhatsApp or telephonically followed by written confirmation. The position of contracted quantity, the paid quantity and dispatches to TCP designated warehouses will also be mentioned in DOR.

9.10 **Discrepancies in Quality/Weight**

In the event of difference in quality and/or weight of the bale(s), within reasonable time, after the bales are received by the Buyer at its godown/plinth, the CPF shall be responsible to identify and TCP shall get the recovery of compensation for which Seller shall be liable under law, notwithstanding the provisions of Clause-11-F of the Cotton Purchase Contract, to compensate the Buyer for the loss/damage on account of such difference in quality and/or weight of the bale(s).

9.11 **Dispute Resolution:**

Any difference or dispute of whatsoever nature arising out of the contract or in any way relating to the contract or to its construction or fulfillment should be settled as far as possible, amicably between the Parties. If the parties fail to come to an amicable settlement the same shall be referred to the Chairman, TCP, or his nominee whose decision shall be final and binding on both the parties"

9.12 **Payment of Service Charges to CPF against Procurement of Cotton:**

100% payment of CPF service charges will be made after final evaluation and weight of lint cotton at TCP's designated Godown subject to provision of following documents within seven days: -

- 9.12.1 Invoice with covering letter both duly signed and stamped by authorized officer;
9.12.2 Initial weight and evaluation report.
9.12.3 Final weight and evaluation report.
9.12.4 Certificate of Quality verifying / confirming that the quality of the inspected cotton bales/lots, are/were as per TCP's specification.
9.12.5 Sale Tax /NTN certificate.
9.12.6 Copy of Award letter.
9.12.7 Copy of Agreement.

10. This agreement has been signed on _____, at _____ in English Language and in Quadruplicate.

**Signature of CPF under rubber stamp
with the name and status**

**Signature of TCP under rubber stamp
with the name and status**