

**MADRAS FERTILIZERS LIMITED****INVITES EXPRESSION OF INTEREST (EOI)**

**For Empanelment of Producers / Manufacturers for supply of Merchant Grade phosphoric Acid (52-54% P<sub>2</sub>O<sub>5</sub>)**

MFL/EOI/001/2018-19/003 dated 16.04.2018

Madras Fertilizers Ltd (MFL) invites application for Expression of Interest from Producers/ Manufacturers for supply of Merchant Grade Phosphoric Acid (52-54% P<sub>2</sub>O<sub>5</sub>) on Long Term basis. This expression of interest shall be valid for a period of three years from 2018-2021.

**Submission of Expression of Interest**

Prospective Producers / Manufacturers may down-load the Expression of Interest document from the website of MFL [www.madrasfert.nic.in](http://www.madrasfert.nic.in).

The full set of documents of Expression of Interest along with Annexure- I & II duly signed by the Producer / Manufacturer should be submitted.

Last date for EOI submission: 14.00 Hrs. IST on 30.05.2018.

The offers received after closing hour will not be considered for evaluation. EOI shall be valid for 90 days from the date of opening.

All corrections/corrigendum, if any, will be given in the above website only.

The Expression of Interest may please be sent in person / by Post / by Courier to the following address:

**DGM - Commercial**  
**Madras Fertilizers Ltd**  
**Manali, Chennai-600068**  
**Mobile: +91 9445180259**  
**Ph: 91 44 25945306/307**  
**E-mail: [cmimp@madrasfert.co.in](mailto:cmimp@madrasfert.co.in)**

Note : Addition or deletion, commission or omission in the above said EOI and other terms and conditions will be carried out in MOU on mutual consent at the time of signing the MOU by MFL and the selected two vendors.

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Website: [www.madrasfert.nic.in](http://www.madrasfert.nic.in)

Phone No: +91 44 25945306/307

E Mail: cmimp@madrasfert.co.in

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**About MFL**

MFL is a Government of India undertaking under administrative control of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India incorporated on Dec 8, 1966 and it is one of the largest fertilizer companies in India. MFL is engaged in manufacture and sale of Urea, Complex fertilizers and Bio-fertilizers. MFL activities include marketing of these fertilizers and trading in agro-chemicals, organic manure in accordance with the corporate objectives.

Presently, MFL Public share holding pattern is as follows.

Government of India:	59.50 %
Naftiran Inter Trade Company Ltd:	25.77 %
Public	14.73 %

MFL has its plant facilities at Headquarters located on 329 acres of land at Manali and it is 20 Kms north of Chennai City. MFL is having 4 Phosphoric acid tanks with a total capacity of approximately 30,000 MTs at Chennai Port and MFL Plant.

**Scope of work**

MFL wishes to empanel reputed Producers/Manufacturers for supply of Merchant Grade Phosphoric Acid (52-54% P<sub>2</sub>O<sub>5</sub>) on Long Term basis, for a period of three years from 2018-21 on CFR Chennai basis.

Our annual requirement is approximately 1, 00,000 MT ± 10% Merchant Grade Phos acid solution (52-54% P<sub>2</sub>O<sub>5</sub>).

Following information may be submitted along with the application:

- (i) Quantity of Phos acid supplied to the Indian market during the last three years.
- (ii) Detailed specification of the product to be supplied.
- (iii) Latest quality certificates from independent reputed surveyors at load port to be enclosed with the application for the quantity already supplied to India.
- (iv) Latest quality certificate from independent reputed agencies/surveyors at discharge port for the quantity already supplied to India.

### **Pre-qualification Criteria**

- (i) A. The vendor should be a Producer/ Manufacturer. Documentary evidences/Undertaking to this effect has to be submitted along with the EOI.  
B. In case the Producer / Manufacturer have any representative in India, they shall submit a copy of the agreement with the Indian representative giving details of their name & address, registration number and their permanent Income-Tax account number.
- (ii) The vendor should not have been blacklisted/ banned from supplying to India by Government of India, State Government(s) or any PSU in India.

### **Procurement Plan**

MFL wishes to procure Phosphoric Acid from reputed Producers / Manufacturers. MFL wishes to appoint such Producers / Manufacturers, who will act as an assured source of supply to MFL.

A quantity of approximately 1,00,000 MT  $\pm$  10% Merchant Grade Phos acid solution (52-54% P<sub>2</sub>O<sub>5</sub>) per annum is to be supplied. Combined -Firm and optional basis i.e. Firm - 70% Optional - 30%. However MFL will inform the quarterly requirement well in advance.

Terms and conditions of supply shall be discussed and mutually agreed through a Memorandum of Understanding or a Contract between MFL and the supplier.

### **DESIRED SPECIFICATIONS OF PHOSPHORIC ACID (Bulk):**

Elements	Elements in Wt. (%) 52-54% of P <sub>2</sub> O <sub>5</sub>
P <sub>2</sub> O <sub>5</sub>	52.0 Min
Density@ 30°C	1.62 - 1.66
Suspended solids	2.0 (Max)
Sulphate as SO <sub>4</sub>	6.0 (Max)
Fluoride as F	1.0 (Max)
Fe <sub>2</sub> O <sub>3</sub> + Al <sub>2</sub> O <sub>3</sub>	4.5 (Max)
Chloride as Cl ppm	500 (Max)
MgO	2.0 (Max)
CaO	0.5 (Max)

Method of Analysis: AOAC 1990

### **Period of Contract:**

Three years from the date of agreement can be extended by another two years on mutual consent.

### **General Terms and Conditions**

- (i) MFL reserves the right to accept or reject any offer of EOI without assigning any reasons whatsoever.
- (ii) Final selection will be done at the discretion of MFL and decision of MFL shall be final and binding on all the empanelled producer / Manufacturers.
- (iii) The vendor may clearly note that terms and conditions enumerated in this EOI are only illustrative and not exhaustive. The chosen Producers / Manufacturers from the panel will have to enter into transaction contract as devised by MFL.

- (iv) The vendors shall also be asked to furnish additional information.
- (v) The vendors shall ensure compliance of all Government regulations / conventions / policies/guidelines/orders, in force in India.
- (vi) The vendors are required to furnish credit rating report from either Dun & Bradstreet or Moody's or Standard and Poor and also from their bankers.

### **Marine surveyors:**

Determination of quality and quantity to be performed by Internationally reputed surveyors.

### **QUANTITY**

Survey for quantity at load port will be carried out by Producer/Manufacturer and at the Disport Ship tank, by MFL.

Prior to unloading of the acid from the ship's tanks into the buyer's storage tanks at Phos Acid Terminal, Chennai Port, Ullage readings of the ship's tanks will be taken by Surveyors appointed by the buyer and seller (also by the vessel owner, if so desired). On completion of discharge, Ullage readings will be taken again as above to arrive at the volume of acid received in the buyer's storage tanks. The quantity of acid (MT) will be determined by multiplication of the volume of acid by the load port density of acid corrected for local temperature.

Such certified quantities as per final draft survey at the Disport buyers tank is final. Supplier shall compensate for any reduction in B/L quantity beyond 0.25% of Disport ship's tank survey.

### **QUALITY**

Quality assessment of disport sample collected at the time of shipment arrival will be done at MFL's lab. Any disagreement which may occur on the P<sub>2</sub>O<sub>5</sub> content shall be notified in writing by the buyer to seller not later than 30 days after the unloading of acid into buyer's storage tanks. In this case one of the Disport samples retained by the buyer / seller agent shall be analysed in an independent mutually accepted laboratory (Referee analysis) and the quality of P<sub>2</sub>O<sub>5</sub> determined thereby shall be binding on both the parties. The method of analysis shall be the same as at the load port.

The cost of the referee analysis shall be borne by seller, if such analysis shall result in seller compensating the buyer as provided below:

If the control analysis from the referee laboratory establishes that the P<sub>2</sub>O<sub>5</sub> content is less or not more than 0.15% from the content determined, by SELLER's analysis, SELLER's invoice shall be deemed final. In case of P<sub>2</sub>O<sub>5</sub> content shortage is above 0.15%, the seller shall compensate the buyer to the extent of actual shortage between the content determined by seller's analysis and the content determined by referee analysis. Such compensation shall be made through Credit Note within 15 days of the claim be preferred by the buyer.

**Shipping Terms:**

Vessel shall be chartered as per relevant Charter party and shipping terms shall be in accordance with the INCOTERMS 2010 edition, as amended from time to time.

**Marine Insurance :**

MFL shall arrange marine Insurance at its own cost for the product. If the vessel employed is above 15 years the extra Insurance premium paid by MFL shall be reimbursed by the Producer / Manufacturer.

However, the age of the vessel should not exceed 20 years.

**Shipment size:**

10,000 MT of MGPA Solution in bulk.

**Supply Terms:**

Arrival of Cargo at **Chennai Port** - Within 45 days of opening of LC on **CFR CHENNAI** basis.

**Discharge rate at Chennai Port:** 700 MT Per hour

**EMD / Performance Guarantee Bond:** Exempted, because the contract to be executed is with Producer/ Manufacturer.

**Title and Risk:**

Title and risk for Cargo shall pass from Seller to buyer as Cargo passes ship's flanges at the time of loading at Load Port.

**TAXES & DUTIES:**

All dues, duties, taxes and other charges levied on the product or the export thereof from the country of the product's origin shall be for the Seller's account and shall be paid by the Seller. All other taxes and duties on the product whatsoever in India shall be for the Buyer's account and shall be paid by the Buyer.

**LAYTIME**

Lay time at disport shall commence 6 Hrs. after receipt of Notice of Readiness of vessel whether in berth or not or on berthing of the vessel whichever is earlier and shall end on disconnection of hoses. If the vessel is unable to pump out the Acid from the vessel to the Buyer's Terminal tank at an average rate of 700 MT Solution per hour, time lost on account of the slow pumping attributable to the vessel shall not be counted as lay time used.

The lay time shall be determined Sundays, Holidays included as 30 Hrs. for 10,000 MT of solution & 1 Hr extra for each additional 500 MT Solution on a Pro-rata basis. Any delay in actual connection of buyer's hoses with the manifold of the vessel on account of delay in obtaining Free Pratique, Customs Clearance and Immigration etc. by the vessel shall be to the buyer's a/c.

## Shortlisting of Producer / Manufacturer and finalization of MOU

On scrutiny of the documents submitted, prospective Manufacturers / Producer will be selected.

Subsequently, a letter will be sent to each eligible Producers / Manufacturers to attend the Pre MOU meeting individually for finalizing the supply terms.

During the Pre MOU meeting, each Producer / Manufacturer will be asked to give details of credit period and payment & other terms.

### Price:

The unit price on the date of LOI/Purchase Order, in USD per MT of 100% P<sub>2</sub>O<sub>5</sub> shall be based on the CFR, Chennai price latest, published in the International journals like CRU.

The price with % decrease/increase over the International journal price mentioned as above shall be obtained in a sealed cover after Pre MOU meeting.

For the purpose of evaluation the price obtained as above along with discounts if any will be calculated for arriving at Landing cost. The Producer / Manufacturer shall quote for the confirmed quantity of 70,000 MT per annum of phosphoric acid solution for three years. The remaining 30,000 MT per annum of phosphoric acid solution is on optional basis as against the total required quantity of 1, 00,000 MT.

A maximum of two Producer / Manufacturer will be selected.

The landing cost to MFL will be worked out and the L1 supplier will be arrived on the basis of per MT lowest landing cost to MFL. Further, negotiation will be held with L1 Manufacturer / Producer for reduction in price, additional credit period and flexible supply terms.

The L1 negotiated rate and other terms is offered to the L2 Producer / Manufacturer for matching the negotiated rate. If the L2 Manufacturer matches the L1 rate, the total contract quantity is split in to two and the Purchase Order will be issued to both Producers/ Manufacturers in the ratio of 70:30 i.e. L1 -70% & L2 - 30% of the total quantity.

If the L2 does not match the L1 rate and other terms then MOU will be signed with L1 vendor for the entire quantity.

On selection of Producer / Manufacturer who meets with MFL requirements as per Expression of Interest a Memorandum of Understanding will be signed for a period of three years.

Purchase Order will be issued whenever MFL requires Phosphoric acid and the ratio will be maintained as 70:30 basis throughout the contract period. The same process will be continued during the contract period of three years for the firm quantity indicated and accepted.

MFL reserves the right to select one or two Producer / Manufacturer for Long term supply of phosphoric acid depending upon merits.

**No Contractual Obligation**

MFL is not bound contractually or in any way to any of the bidders to this EOI. MFL is not liable for any costs or compensation in relation to the consideration of this EOI incurred by the bidders.

**Disclaimer**

Mere applying against this EOI does not in any way commit or otherwise obliges MFL to proceed with all or any part of the EOI process. MFL at its sole discretion may choose to abandon the EOI either in part or in whole, without giving prior notice to the prospective producer / manufacturers.

**Deviation List:** If any of the Manufacturer / Producer would like to submit deviation in any of the clause mentioned in the EOI, they may indicate as under;

<b><u>SL.NO</u></b>	<b><u>ORIGINAL CLAUSE AS PER NIT</u></b>	<b><u>DEVIATION REQUIRED IN CLAUSE AS</u></b>
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Any deviation indicated by the bidders shall be discussed by MFL management and communicated to all genuine bidders for acceptance of such deviations.

**DECLARATION**

(To be given in Company Letter Head)

Madras Fertilizers Ltd  
Manali, Chennai-600068

We, \_\_\_\_\_, declare that none of our sister concerns/associates belonging to our group is participating/submitting the EOI.

This is also to confirm that we have not been blacklisted/banned/de-listed or put on holiday by the Government of India or any of the State Governments or any PSU in India during the last five years.

Signature with Seal



## MADRAS FERTILIZERS LIMITED

## INVITES EXPRESSION OF INTEREST (EOI)

MFL/EOI/001/2018-19/003 dated 16.04.2018

Sl.	Particulars	Details
1	Name of the Vendor along with complete address, phone numbers, fax numbers, e mail addresses	
2	Details of Ownership/Constitution	
3	Company registration certificate / Memorandum & Articles of association	Copy to be provided
4	Whether Government/ Semi Government/ PSU/ Private Limited/ Public Limited Company/Partnership	
5	Details of Indian agent if any i. Name & Address of the agent ii. Registration no & PAN	
6	Details of Manufacturing facilities	
7	Details of production capacity (MT)	
8	Quality Certificate	Copy to be provided
9	Exportable Quantity (MT)	
10	Name of the major buyers in India	
11	Details of Phosphoric Acid supplied to India during the last three years (Quantity)	Copy to be provided
12	Balance Sheet for the last three years -(2014-17)	Copy to be provided
13	Has the company been black listed/banned by the Government of India or any State Government or any PSUs in India?	Yes / No
14	Declaration as per Annexure -I (to be given in the Company's letter head)	
15	Credit rating of minimum satisfactory or equivalent which is less than one year old as evaluated by any of the following three agencies: • Dun & Bradstreet • Standard & Poor • Moody's	
16	Reference Letter from Bank	
17	ISO or other accreditation certificate if any	

In case photo copies are submitted, they should be duly certified as true copies with the company seal.