

Brief Note on PEG Scheme

Due to inadequate allocation of funds by the Govt. for construction of godowns by FCI and state governments, the Government of India announced "Scheme for construction of Godowns for FCI – Storage requirements through Private Entrepreneurs". Accordingly, on 28.7.2008, the Government of India had circulated a scheme to FCI and State Govts. (Non-DCP States) Vide which Assessment of the storage need was to be made by FCI based on the overall procurement/consumption needs of the area and existing storage capacity. In Consuming States assessment was based on 4 months requirements of stocks for TPDS and OWS & in Procuring States assessment was based on highest stock level in the last three years.

On demand of DCP States, Govt. of India has circulated PEG-2009 scheme on 08-04-2010. In the Scheme, SLC will be headed by the Secretary (Food) of the State and the assessment of required storage capacity would be done on the basis of the highest of the sum of average stock of wheat and rice will be considered as the storage capacity required if it is less than 14 months requirement under TPDS and other welfare schemes. If sum of average stock is less than requirement of 4 months TPDS and other welfare schemes, then the requirement of 4 months would be considered.

Background of the PEG Scheme

1. The Govt. of India vide its letter dated 28.07.2008 circulated scheme for construction of godowns under 5 year guarantee scheme. The Government order also stipulated the methodology for calculation of storage gap in each state. Based on these orders of Govt. of India, a capacity of 140.87 lakh MT has approved by the HLC in Non-DCP States.
2. The period of guarantee was increased from five to seven years vide GoI circular dated 25.01.2011.
3. Subsequently, Govt. of India vide its circular dated 08.04.2010 circulated scheme for construction of godowns under 7 year guarantee for DCP (Decentralised Procurement) States.
4. To enhance the responses of private investors towards PEG Scheme, GoI vide its letter dated 05.08.2010 has further increased the period of guarantee from 7 to 10 years for private investors and 6 to 9 years for CWC/SWCs for construction of godowns on their own land for the capacity approved by HLC after 05.08.2011.

Identification of the location for hiring of godowns

Subject to other conditions in this scheme, the GM Region, FCI will analyse the storage needs of his region based on overall procurement/consumption, availability of already existing FCI/CWC/SWC/private godowns hired by FCI on the basis of criteria given. He will send his recommendations to the concerned ED(Zone) with full justification. ED(Zone) concerned shall place his recommendations before the State Level Committee(SLC) suggested in this scheme.

State Level Committee:

General Manager (Region), FCI's recommendations will be considered by a State Level Committee(SLC) formed under the Chairmanship of ED(Zone), FCI which will include GM(Region) FCI & Director/ Food Commissioner of the state or an officer nominated by him, MD State Civil Supplies Corporation(SWC), Regional Manager of Central Warehousing Corporation(CWC) and nominee of General Manager of the Railways under whose jurisdiction the concerned location is situated.

The State level Committee will send its recommendations from time to time to FCI Headquarters where High Level Committee of FCI will examine and decide whether such storage capacity is really required and the extent to which it is required.

Constitution of High Level Committee (HLC) in FCI

The HLC of FCI should be constituted by the Board of Directors with Executive Directors dealing with storage, transportation, procurement, distribution and finance as members. The nominees of the other Ministries, as are presently in the HLC of the FCI, should continue be members of this HLC also. The Committee should preferably be headed by the CMD, FCI.

Identification of the implementing agencies:

The FCI will take all such godowns through CWC/SWC only. After the locations have been finalized by the High Level Committee of the FCI, FCI will decide the partner agency out of CWC & SWC. CWC/SWC will get these godowns constructed through private investment

Roles and Duties of Agencies involved

The responsibility of maintenance of the godowns would lie with the CWC/SWC to whom the supervision charges will be payable. The CWC/SWCs will be free to take other services like security, preservation of foodgrains stocks etc. from the private investor or to arrange it through their own staff. In both the cases CWC/SWC will have full responsibility for the losses (in excess of limits prescribed for FCI during the relevant period) in the foodgrain stocks.

Agreement between parties

For defining role/duties, the relevant parties shall enter into agreement in the following manner:

- a) Agreements shall be entered between the FCI and the concerned CWC/SWC;
- b) Agreements shall be entered between the concerned CWC/SWC and the private party.

Tenders for hiring of new godowns and Post tender obligations:

After the High Level Committee of FCI has finalized a location and capacity of godown and FCI has conveyed it to the implementing agency i.e. CWC/SWC, advertisements will be issued by the implementing agency (CWC/SWCs).

Two bid system (Technical Bid & Finance Bid) will be applied for the offers as laid down by the CVC.

FCI will have freedom to choose a date of taking over the godown within 6 months of the completion of the godown and the guarantee period will start from the date of taking over the godown.

Current Status :-

As per guidelines of the scheme based on the proposals received from State Level Committees (SLCs), a capacity of 144.05 lakh MT (as on **30.11.2020**) has already been completed.

20-3/2007-FC II
 Government of India
 Ministry of Consumer Affairs, Food and Public Distribution
 (Department of Food & Public Distribution)

19

Krishi Bhavan, New Delhi - 110001
 Dated 25th January, 2010

To

33-471/10
 27-1-10

1. Chairman and Managing Director
 Food Corporation of India,
 New Delhi
2. Chairman-cum-Managing Director,
 Central Warehousing Corporation,
 New Delhi
3. The Food Secretary
 All States/UTs
4. The Managing Director,
 All State Warehousing
 Corporations

5 to 7 years

Subject Modification in Scheme for construction of godowns for FCI - storage requirements through Private Entrepreneurs -2008 - Circular dated 23.7.2008 and letters dated 24.10.2008, 13.7.2009 and 13.8.2009

Sir,

I am directed to refer to this Department's letter of even number dated 28.7.2008 regarding 'Scheme for construction of godowns for FCI - Storage requirements through Private Entrepreneurs- 2008'. On the request of FCI, the Scheme of providing five year guarantee has been reviewed and it has been decided as under:

- (1) To adopt the CWC indexed rates which has been worked out as Rs. 4.78 per quintal per month after indexing the CWC rate upto September, 2009. This will now be the guiding rate for the Scheme

Accordingly, Clause 10.1 and Clause 14 are amended as below:-

Clause	Existing provision	Amended provision
10.1	FCI will fix ceiling rates for proposed godowns on the basis of local conditions after due study and in consultation with the implementing agencies (decided vide para 6 above) before giving out advertisements for inviting offers for a particular godown. These rates will form only the upper ceiling of rates and will be either equal or less than the rates payable to CWC.	FCI will fix ceiling rates for proposed godowns on the basis of local conditions after due study and in consultation with the implementing agencies (decided vide para 6 above) before giving out advertisements for inviting offers for a particular godown. These rates will form only the upper ceiling of rates and will be either equal or less than the CWC indexed rate of Rs.4.78 per quintal per month for normal hiring under one year guarantee.
14	CWC and SWCs will be paid on the basis of payments made by them to the private party [A] + expenses on foodgrain preservation, security etc.[B] (to be pre-determined by FCI and specified in the agreement) + supervision charges (upto maximum limit of 15% of [A]) subject to the ceiling of CWC rates for FCI for normal hiring under one year guarantee.	CWC and SWCs will be paid on the basis of payments made by them to the private party [A] + expenses on foodgrain preservation, security etc.[B] (to be pre-determined by FCI and specified in the agreement) + supervision charges (upto maximum limit of 15% of [A]) subject to the ceiling of CWC indexed rate of Rs.4.78 per quintal per month for normal hiring under one year guarantee.

27/1/10
 33-471/10
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Already put up
 27/1/10

To empower the HLC of FCI to accept rates higher than the indexed ceiling rate for CWC after recording the reasons in writing on a case to case basis.

Accordingly Clause 10.3 is amended as under:-

Clause	Existing provision	Amended provision
10.3	<p>In case offers for rentals are higher than suggested, a detailed analysis about:</p> <p>(i) Desirability of storage space in such area;</p> <p>(ii) Alternative storage space including storage arrangement being adopted uptill now may be analyzed;</p> <p>(iii) Economics of clubbing of storage requirements with nearby storage facility may be carried out.</p>	<p>In case offers for rentals are higher than indexed rates as mentioned in para 1 above, a detailed analysis about:</p> <p>(i) Desirability of creating storage space in such area may be reassessed;</p> <p>(ii) Alternative storage space including storage arrangement being adopted till now may be analyzed;</p> <p>(iii) Economics of clubbing of storage requirements with nearby storage facilities may be carried out.</p> <p>On the basis of above analysis by FCI, the High Level Committee will be empowered to accept rates higher than the ceiling rates for CWC mentioned in para 1 above. Reasons for accepting higher rates may be recorded by HLC.</p>

(3) To offer a seven year guarantee period, instead of five years.

Accordingly Clause 13 is amended as under:-

Clause	Existing provision	Amended provision
13	<p><u>Flexible guarantee period in case of high utilization locations</u></p> <p>13.1 In case at a particular location the percentage utilization in the past years has been high, say <u>more than 75%</u>, the bids can be invited for guaranteed period of more than 5 years. This is because if the percentage utilization has been high, the godowns would in any case be needed for a longer period of time and renewal period could be accordingly extended. Higher Guarantee period would ensure competitive bidding and lower rentals.</p>	<p><u>Fixed guarantee period for 7 years</u></p> <p>Under the Scheme, bids will be invited for a guarantee period of 7 years for creation of new storage facility only.</p>

Therefore, in case of high utilization capacity areas/godowns, the bids may be invited as follows:

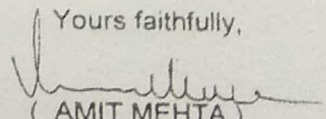
Guarantee period (years)	
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13.2 The FCI will, however, be at liberty to release the godown after the minimum guarantee period of 5 years.

Clause 13.2 of the Scheme stands deleted.

(4) A new Clause 8.2 will be inserted in the Scheme as under :-

"8.2 For States where CWC/SWC are not present or due to some reasons CWC/SWC are not agreeable to be the implementing agency as envisaged in the Scheme, FCI will be the implementing agency and it may issue the tenders directly."

Yours faithfully,

(AMIT MEHTA)
DIRECTOR (FCI)
Tel.No. 23385238

Approval of PEG Scheme - 2009

Regd. Post

DCP

No. 20-3/2007-FC-II
Government of India

Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi,
Dated, the 8th April, 2010.

To

The Food Secretary,
Department of Food & Civil Supplies
Government of Punjab, Haryana, Uttar Pradesh, Uttarakhand,
Madhya Pradesh, Chhattisgarh, Orissa, Karnataka, Kerala, Gujrat,
Tamil Nadu and West Bengal

Subject : Scheme for construction of godowns for DCP States - storage requirements through Private Entrepreneurs - 2009.

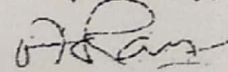
Sir,

I am directed to enclose herewith a copy of Scheme for construction of godowns for DCP States - storage requirements through Private Entrepreneurs - 2009 for information and taking necessary action.

Kindly acknowledge receipt of the same.

Encl : As stated.

Yours faithfully,



(A.K.RANA)

Under Secretary to the Govt. of India

Copy alongwith a copy of above-mentioned Scheme to :

1. Chairman and Managing Director, Food Corporation of India, 16-20 Barakhamba Lane, New Delhi - 110001 for circulation in FCI.
2. Managing Director, Central Warehousing Housing, 4/i Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi - 110016 for circulation in CWC and SWCs.

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GM (FC)

16/4
19/4

Received at 12.50 PM / 20.4.10
URGENT
19/4
Asst Secy (FC)-II

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Sir
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Confidential
MOST IMMEDIATE

No. 20-3/2007-FC-II
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi,
New Delhi, the 28th July, 2008

To

Shri Alok Sinha,
Chairman and Managing Director,
Food Corporation of India,
16-20, Barakhamba lane,
New Delhi.

Subject: Scheme for construction of godowns for FCI - storage requirements through Private Entrepreneurs - 2008.

Sir,

I am directed to enclose herewith a copy of the Scheme for construction of godowns for FCI - Storage requirements through Private Entrepreneurs - 2008.

2. You are requested to circulate this scheme within FCI, CWC and State Warehousing Corporations & State Govts. for their information.

3 This issues with the approval of Hon'ble MoCA,F&PD.

Encl: As stated.

Yours faithfully,

(Anurag Sharma)

Under Secretary to the Govt. of India

Copy for information and necessary action to :

1. Additional Secretary & Financial Advisor, D/oF&PD.
2. Joint Secretary (A&S)
3. Director (Finance), D/o F&PD.
4. Director (Storage)
5. Deputy Secretary (Plan & Storage)
6. Executive Director (Storage), FCI, New Delhi.
7. Executive Director (F&G.), FCI, New Delhi.

20-3/2007-FC.II

Government of India

Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)

Krishi Bhavan, New Delhi-110001
Dated 13th July, 2009

- To
1. Chairman and Managing Director,
Food Corporation of India,
New Delhi
 2. The Food Secretary,
All States/UTs.
 3. Chairman-cum-Managing Director,
Central Warehousing Corporation,
New Delhi
 4. The Managing Director,
All State Warehousing Corporations

Subject:- Construction of godowns by CWC/SWCs on their own land under Five Year Guarantee Scheme - Circular dated 28.7.2008.

Sir,

I am directed to refer to this Department letter of even number dated 28.7.2009 regarding scheme for construction of godowns through private entrepreneurs.

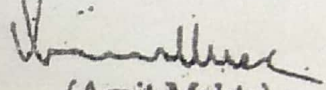
2. In order to ensure expeditious construction of godowns by CWC and SWCs on their own land, the Scheme has been reviewed and it has been decided as under:-
 - (i) Wherever CWC/SWCs have land and if this is within the identified locations and storage gap approved by High Level Committee of FCI, CWC/SWCs may construct godowns on priority;
 - (ii) FCI will not invite tenders from private agencies for above identified locations/capacity;
 - (iii) FCI will pay to CWC/SWCs hire charges at rates recommended by CAB/Tariff Commission for the relevant year;
 - (iv) FCI will give a guarantee for assured usage of storage space for four years;
 - (v) If in any year, on account of lower procurement or higher offtake, the storage space remains unutilized, FCI would continue to pay the hire charges at the above rates during the period of guarantee.
 - (vi) In case the space hired under the scheme remains unutilized and the same is hired out by CWC/SWCs to other parties, the rent so received would be adjusted against the guaranteed amount for the period so hired out and surpluses, if any, shall be equally shared between FCI and CWC/SWCs.
 - (vii) In case of any dispute, the matter shall be settled by the Department of Food and Public Distribution after hearing both the organizations concerned.

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The locations finalized by the High Level Committee of FCI will be reviewed by FCI tenders will not be invited for the locations where CWC/SWCs have land. In case the storage capacity offered by CWC/SWCs is less than the requirement of storage capacity approved by HLC at that location, tenders may be issued for the balance capacity.

In order to ensure that additional storage capacity becomes available, CWC/SWCs may urgently undertake construction of godowns at the identified locations.

Yours faithfully,



(Amit Mehta)
Director (FCI)
Tel No.23385238

SANJAY KAUL
JOINT SECRETARY

D.O. No. 7-1/2003-M.1

Dear Shri Gokhale,

The Chief Minister, Andhra Pradesh in his letter dated 26th February 2003 has sought the taking over of godowns by the FCI to an extent of 20 lakh MTs, in respect of which, as you would recall, the Department had conveyed approval under the Seven Year Guarantee Scheme. This includes cases where the godowns were not completed within the stipulated time, cases where the godowns are still under construction, as well as cases where godown construction is still to commence.

2. The matter has been considered and it has been decided, with the approval of the Minister of Consumer Affairs, Food & Public Distribution, as under:

- (i) In cases where godowns have been completed in all respects, the FCI may take over the godowns. However, the guarantee period will stand reduced by the extent of delay in completing the godowns.
- (ii) In respect of godowns that were to be constructed along with Railway sidings, the full seven-year guarantee period may be offered, provided the Railway siding was completed within twelve months.
- (iii) Out of (ii) above, where godown construction has been completed but the Railway siding was not completed within twelve months, the FCI may take over the godown, provided that the rental payable by the FCI may be reduced to 60% of the normal charge, till such time as the Railway siding is completed.
- (iv) Out of the balance (approximately 2.15 lakh MTs) in respect of which no agreements have been concluded between the FCI and the SWC, the FCI need not honour any commitments except in respect of 50,000 MTs at Tadepalligudem covered under the letters of the APSWC and the State Government in letters dated 21st March 2002 and 26th March 2003 respectively. In the instant case the FCI is to enter into an Agreement immediately. The Seven Years Guarantee Scheme would be applicable in this case prospectively on the same terms and conditions as mentioned above.

3. This issues with the approval of the Minister of Consumer Affairs, Food and Public Distribution

With regards,

Yours sincerely,

(SANJAY KAUL)

Shri A.M. Gokhale,
Chairman,
Food Corporation of India,
Barakhamba Lane, New Delhi.

Place in the file of circular/letter.

-2.27-

ANNEXURE - III

Nd. 20-3/2007-FC-III(EGOM)
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)

Krishi Bhavan, New Delhi
Dated: 2.8.2010

To

The Chairman & Managing Director
Food Corporation of India
16-20, Barakhamba Lane,
New Delhi - 110001

Sub: Modifications in the existing Seven Year Guarantee Scheme for construction of godowns for FCI through Private Entrepreneurs - 2008.

Sir,

Please refer to the proposal of Food Corporation of India (FCI) No. E4(41)/PEG-08/Stg.IV/2010/Pt. dated 30.7.2010 on the above subject. The proposal was examined in the Department and following has been decided.

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ED (Ops)

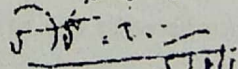
Handwritten notes:
Please refer to the proposal of FCI No. E4(41)/PEG-08/Stg.IV/2010/Pt. dated 30.7.2010 on the above subject. The proposal was examined in the Department and following has been decided.
i) Regarding normalization of financial bids, as per Para 21 of the PEG - 2008, there need not be a uniform rate across the country and CMD FCI may decide on the basis of inputs received from General Managers for the States/ regions concerned separately in accordance with the provision contained in para 22 of the scheme.
ii) Regarding issue concerning taking over of godowns, Para 31 of the Scheme provides freedom to FCI for taking over godown within 6 months of completion and the Department has no objection to the proposal of FCI as approved by BoD in their meeting on 23rd July, 2010 regarding taking over of a godown constructed under the scheme within one month of completion if construction is completed within prescribed schedule and within 3 months otherwise.

Handwritten signature:
6/8/10

Handwritten note:
Copy to all Eds of HQ.

- iii) Regarding Para 18.1 and 26 of the scheme, as decided by BoD of FCI in their meeting held on 23rd July, 2010, wherever the bids are being sought without preservation, experience need not be a mandatory condition and in case of bids being sought with preservation, the investor should have two years technical experience or should hire a person having two years technical experience. The Para 18.1 and 26 of the PEG Scheme 2008 will stand modified accordingly.
- iv) Further to the increase in guarantee period under the scheme from 5 years to 7 years communicated vide O.M. No. 20-3/2007-FC-II, dated 25.01.2010, I am to state that in accordance with decision taken in the meeting of Empowered Group of Ministers held on 26th July, 2010, the guarantee period under the Scheme stands increased from present 7 years to 10 years.
2. All the other provisions of the Scheme and subsequent modifications will remain unchanged.
3. It is, therefore, requested to take appropriate necessary action in the matter.

Yours faithfully,


(A.K. Raña)

Under Secretary to the Govt. of India

967
1-4-10

No.20-3/2007-FC-II

Ministry of Consumer Affairs, Food & PD
Department of Food & Public Distribution
Krishi Bhawan, New Delhi- 110001

236
4 to 6 years
for CWC/SWC
own land

829
574

Dated, the 30th March, 2010

To

- 1. Chairman and Managing Director,
Food Corporation of India,
New Delhi
- 2. Chairman-cum-Managing Director,
Central Warehousing Corporation,
New Delhi
- 3. The Food Secretaries
All States/UTs
- 4. The Managing Director,
All State Warehousing
Corporations

Subject: Extension of guarantee period from 4 years to 6 years for construction of godowns by CWC/SWCs on their own land - Circular dated 28.7.2008

- Ref: (1) This Deptt.'s letter No. 20-3/2007-FC-II dated 24.10.2008
(2) This Deptt.'s letter No. 20-3/2007-FC-II dated 13.7.2009
(3) This Deptt.'s letter No. 20-3/2007-FC-II dated 13.8.2009
(4) This Deptt.'s letter No. 20-3/2007-FC-II dated 25.1.2010

Sir,

My
ED (Skg.)

I am directed to refer to this Department letter of even number dated 28.7.2008 regarding scheme for construction of godowns through private entrepreneurs.

2
good
news

of
HLC

of
FCI

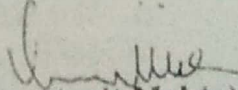
of
FCI

2. In order to ensure expeditious construction of godowns by CWC and SWCs on their own land, the Scheme was reviewed vide this Department's letter of even number dated 13.7.2009 referred to at (2) above. It was decided that wherever CWC/SWCs have land and if this is within the identified locations and storage gap approved by High Level Committee(HLC) of FCI, CWC/SWCs may construct godowns on priority. Further, it was also decided that FCI will give a guarantee for assured usage of storage space for four years.

It has now been decided that FCI will offer a guarantee period of 6 years for the storage charges to CWC/SWCs for the godowns they would be constructing on their own land under the Scheme as approved by HLC of FCI from time to time as well as for the capacity already approved and under construction, (under guarantee of 4 years).

24 (Vf)
ASH (Skg.)

Yours faithfully,


(Amit Mehta)
Director(FCI)

Tel.No. 23385238

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(134)

1-3/2007-FC-II

Mi... umer Affairs, Food & PD
Department of Food & Public Distribution
Krishi Bhawan, New Delhi

Dated, the 13th August, 2009

Chairman & Managing Director
- 1909
13/8/2009
To

3427
11/5/09
Krishi sec
9206
Chairman & Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
NEW DELHI-110 001

3. Food Secretaries, Punjab & Haryana

Managing Director,
Central Warehousing Corporation,
4/1 Siri Institutional Area,
August Kranti Marg, Hauz Khas,
New Delhi

5 year

Subject: Scheme for construction of godowns for FCI - meeting storage requirements through Private Entrepreneurs - 2008 - Circular dated 28.7.2008

Sir,

I am directed to refer to this Department's letter of even number dated 28.7.2008 regarding 'Scheme for construction of godowns for FCI - Storage requirements through Private Entrepreneurs - 2008'. On the request of FCI, the Scheme of providing five year guarantee has been reviewed and it has been decided as under:-

- (a) To allow other State Government Agencies in Punjab and Haryana, that are already doing procurement and warehousing on their own, to function on behalf of FCI to invite tenders, enter into agreement with private investors and also supervise their work. This will be subject to the condition that there will be a demarcation of area between agencies by FCI in consultation with the State Government.
- (b) In other States where SWC is not present and where there is no storage infrastructure of CWC, the procedure at (a) above may be adopted.
- (c) In States where CWC has no storage infrastructure and there is no State Government Agency dealing with warehousing, FCI may directly invite bids under Five Year Guarantee Scheme in terms of Circular dated 28.7.2008.

Yours faithfully,

(Amit Mehta)
Director(FCI)
Tel.No. 23385238

1/10/09
10411/S8C
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AGM (FC-II)
M(S-12)
10/8

- Copy to
- 1. All Food Secretaries for information and necessary action in consultation with FCI.
 - 2. MDs of SWCs for information and necessary action in consultation with CWC, State Government and FCI.

115

DCP

No.20-3/2007-FC-II
Ministry of Consumer Affairs, Food & PD
Department of Food & Public Distribution
Krishi Bhawan, New Delhi- 110001

Dated, the 3rd June, 2010

- To
1. Chairman and Managing Director,
Food Corporation of India,
New Delhi
 2. Chairman-cum-Managing Director,
Central Warehousing Corporation,
New Delhi
 3. The Food Secretary
All DCP States/UTs
 4. The Managing Director,
All State Warehousing
Corporations

Subject: Construction of godowns for DCP States by CWC/SWCs on their own land under Guarantee Scheme - This Deptt's Circular No. 20-3/2007-FC-II dated 8.4.2010

Sir,

I am directed to refer to this Department letter of even number dated 8.4.2010 regarding scheme for construction of godowns through private entrepreneurs.

2. In order to ensure expeditious construction of godowns by CWC and SWCs on their own land, the Scheme has been reviewed and it has been decided as under:

- (i) Wherever CWC/SWCs have land and if this is within the identified locations and storage gap approved by High Level Committee of FCI, CWC/SWCs may construct godowns on priority;
- (ii) The implementing agency will not invite tenders from private agencies for above identified locations/capacity;
- (iii) The Department of Food & Public Distribution, on the recommendations of FCI as per Clause 10.2 of the Scheme, will pay to CWC/SWCs hire charges at rates recommended by CAB/Tariff Commission/Chief Adviser Cost (Ministry of Finance) for the relevant year;
- (iv) FCI on behalf of the Government of India, will give a guarantee for assured usage of storage space for 6 years. The State Government will ensure the optimum utilization of the godowns.

On any year, on account of lower or absence or higher than the expected storage requirement, the Department of Food & Public Distribution will pay the recommendations of FCI as per Clause 10.3 of the Scheme. The State Government will ensure the optimum utilization of the godowns.

7 to 9 years for CWC/SWC

Dy. No. 4.002
D. No. 24/11/10

No. 20-3/2007-FC-II

Ministry of Consumer Affairs, Food & public Distt
Department of Food & public Distribution

Krishi Bhaw
Dated the

4365 To,
24/11/10

(1) The Chairman & Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
New Delhi (FAX NO. 23413214)

(3) The Food Secreta
All States/UTs

(2) The Managing Director,
Central Warehousing Corporation,
4/1 Siri Institutional Area, Hauz Khas,
August Karanti Marg, New Delhi.
(FAX NO. 26967844)

(4) The Managing D
All State Wareho
Corporations.

36-AM Bx 4
25-11-10

Subject: Extension of guarantee period from 7 years to 9 ye
godowns by CWC/SWCs on their own land-Circular c

- Ref: (1) This Deptt.'s letter No. 20-3/2007-FC-II dated 24.10.2008
 (2) This Deptt.'s letter No. 20-3/2007-FC-II dated 13.07.2009
 (3) This Deptt.'s letter No. 20-3/2007-FC-II dated 13.08.2009
 (4) This Deptt.'s letter No. 20-3/2007-FC-II dated 25.01.2010
 (5) This Deptt.'s letter No. 20-3/2007-FC-II dated 30.03.2010
 (6) This Deptt.'s letter No. 20-3/2007-FC-II dated 02/05.08.2

MD on hand
ETI (sdg.)

Sir,

I am directed to refer to this Department's letter of even n
regarding scheme for construction of godowns through private en

2. In order to ensure expeditious construction of godowns by C
own land, the Scheme was reviewed vide this Department's lett
23.7.2009 referred to at (2) above. It was decided that wherever
and if this is within the identified locations and storage gap a
Committee (HLC) of FCI, CWC/SWCs may construct godown
was also decided vide letter of even no. dated 30.03.2010 refern
will give a guarantee for assured usage of storage space for six
the godowns they would be constructing on their own land unde
by HLC of FCI from time to time as well as for the capacity air
construction.

36/11/10
25/11/10

3. It has now been decided that FCI will offer a guarantee n

storage charges to CWC/SWCs for the godowns hired with the date of enhancement of the guarantee period from 7 entrepreneurs. CWC/SWCs will be paid hire charges at rate Accounts Branch (CAB) of the Ministry of Finance. FCI will a for utilization of idle capacity if any, during the guarantee per CWC/SWCs. The extension of guarantee period will not be approved under earlier schemes.

4. All other provisions of the scheme and subsequent in unchanged.

232

फूड कॉर्पोरेशन
FOODCORP
कवम नं: एचएफसीआई एन डी
Fax No.: HFCI ND

भारतीय
खाद्य
निगम



FOOD
CORPORATION
OF INDIA

मुख्यालय
नई दिल्ली
Head Quarters
New Delhi

आइ-एम-ओ-90012000 प्रमाणित

00911123413241
00911123413103

16-20, बाराकम्बा लेन, नई दिल्ली-110001. दूरभाष: 011-23413871, 23444872, 23444880
16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-23413871, 23444872 - 4880

7 to 10 years

No. E.4(41)/PEG-08/Stg.IV/2010

Dated: 10.08.2010

The Executive Director (Zone),
Food Corporation of India,
Zonal Office (East)/(West)/(North)/(South)/(North East),
Kolkata/Mumbai/Noida/Chennai/Guwahati

**Sub :- Modifications and liberalization in Seven Years
Guarantee Scheme.**

Sir,

1. Due to poor response to tenders under Seven Years Guarantee Scheme, under the PEG-2008 Scheme in most States, an Investors Meet was organized by FCI, Hqrs., at FICCI Auditorium on 09.06.2010 in which various suggestions were given by the potential investors so as to make the scheme more attractive. Some of these suggestions required modification in the scheme and hence approval for the same was sought from the Ministry. To attract more investors for creation of storage capacity under the guarantee scheme, the Government has decided to enhance the guarantee period from 7 years to 10 years and the following modifications have been made by the Ministry/FCI in the scheme :

1.1 Specifications of godowns :- The specifications of godowns (and requirement of land) have been modified to CWC norms with bottom ventilators.

1.2 Title Deed :- An investor without ownership/lease of land can participate in the tender for which he would have to provide a bank guarantee of Rs. 100/- per MT. The investor has to mention the site/location for which he is bidding in the tender and the change of same would not be allowed subsequently. The bidder will have to provide title deed of land or registered deed agreement alongwith all approvals required for construction of godown within 90 days of acceptance of tender and the bank guarantee of the investor would be released on production of title deed or registered lease deed.

[Handwritten signature]

1.3 Bank Guarantee in lieu of demand draft :- The rate of EMD would be Rs. 20/- per MT and the security deposit for godowns without railway siding would be Rs. 40/- per MT and with railway siding Rs. 60/- per MT. The same would be continued to be taken in the form of bank draft. However, at the time of taking over of godown a security deposit of Rs. 50/- per MT (in case of godowns hired without preservation) and Rs. 100/- per MT (in case of hiring of godown with preservation) would be taken in the form of bank guarantee for the guarantee period of 10 years. FCI/nodal agency should confirm from the bank regarding issuance of bank guarantee furnished by the investors.

1.4 Demand of godown rent :- The godown rent for godowns hired without preservation would be paid by the nodal agencies by 15th of subsequent month and FCI will ensure payment of rent to the nodal agency (where godowns are hired without preservation) by 7th of subsequent month.

1.5 Service tax :- The rate to be quoted by the private investors in the tenders should be inclusive of service tax.

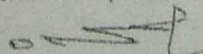
1.6 Normalization of bids :- The normalization factor would be intimated by the nodal agency/FCI in the MTF after approval of CMD.

1.7 Maintenance of weigh-bridges :- The nodal agency would enter into Annual Maintenance Contract for maintenance of weigh-bridge and the charges of the same would be borne by the investor. The nodal agency shall be responsible for deducting the maintenance charges from the rent paid to the investor.

1.8 Taking over of godown :- The godowns will be taken over by the nodal agency within one month of completion in all respect and in case the construction is completed in the extended period, FCI/nodal agency will have the freedom to take over the godown within 3 months of completion in all respects.

1.9 Experience of warehousing :- Wherever the bids are sought without preservation, experience would not be a mandatory condition and in case bids are sought with preservation, the investor should have 2 years technical experience or should hire a person having 2 years technical experience.

1.10 Separate tenders for separate locations :- The investors should submit a separate tender for each site/location.



2. After incorporating the above modifications, the Model Tender Form has been revised and the same is enclosed. It is clarified that there should not be any further change in the tender form at the level of nodal agency or ED/GM, FCI. You are requested to give a copy of revised MTF to Food Secretary and Nodal Agency of State for inviting bids in accordance with revised Model Tender Form. Nodal Agencies may give wide publicity to these changes and organize investor's meeting, if necessary so that liberalization of scheme is brought to the knowledge of potential investors.

3. GM/ED (Zones) shall submit to ED Storage, FCI, Hqrs., their proposals for normalization factor. After approval of CMD, the same shall be incorporated in the Model Tender Form.

This issues with the approval of CMD.

Yours faithfully,

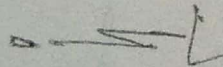
Encl: As above

(R. K. JAIN)

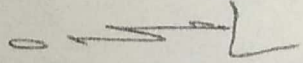
GENERAL MANAGER (S&C)

Copy to:-

1. Food Secretary, Government of India for information.
2. Financial Adviser and Additional Secretary, Department of F&PD, GOI, New Delhi
3. Joint Secretary (Storage), Department of F&PD, GOI, New Delhi
4. Joint Secretary (Policy), Department of F&PD, GOI, New Delhi
5. PS to Hon'ble Minister, Ministry of CAF&PD, GOI, New Delhi
6. Food Secretary, Government of _____
7. General Manager (Region), Food Corporation of India, Regional Office _____
8. Central Warehousing Corporation, 4/1, Siri Institutional Area, Hauz Khas, New Delhi-110016.
9. Punjab State Grains Procurement Corporation, Jeevandeep Building, Sector 17, Chandigarh
10. Haryana State Co-operative Supply & Marketing Federation Ltd., Corporate Office Building, Sector 5, Panchkula.
11. Himachal Pradesh State Co-operative Marketing & Consumers Federation Ltd., Circular Road, Victory Tunnel, Shimla-171003 (HP).



- 2-
12. U.P.State Warehousing Corporation, Bhandaran Bhawan, New Hyderabad, P. B. No. 196, Lucknow-226007
 13. Rajasthan State Warehousing Corporation, Bhawani Singh Road, Jaipur-302015
 14. Orissa State Warehousing Corporation, Plot No. 2, Cuttack Road, Bhubaneshwar-751006.
 15. A.P. State Civil Supplies Corporation, 6-3-655/1/A, Civil Supplies Bhavan, Somajiguda, Hyderabad
 16. West Bengal State Warehousing Corporation, 6-A, Raja Subodh Mullick Square, 4th Floor, Kolkata-700013
 17. Bihar State Warehousing Corporation, 'B' Block, Maurya Lok Complex, 1st Floor, Dak Bungalow Road, Patna-800001.


GENERAL MANAGER (S&C)

167
12/1/11
12/1/11

No.20-3/2007-FC-II(DCP)

Annexure VIII
9/3

Ministry of Consumer Affairs, Food & public Distribution
Department of Food & public Distribution

Krishi Bhawan, New Delhi-110001
Dated the 11th January, 2011

EDITION
Duty No. 158
Date 12/1/11

To,

(1) The Chairman & Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
New Delhi

(3) The Food Secretaries
All States/UTs

7 to 10 years
6 to 9 years
SWC/CWC

(2) The Managing Director,
Central Warehousing Corporation,
4/1 Siri Institutional Area, Hauz Khas,
August Kranti Marg, New Delhi.

(4) The Managing Director,
All State Warehousing
Corporations.

Subject: Extension of guarantee period for godowns to be constructed in the DCP States.

Ref: (1) This Deptt.'s letter No.20-3/2007-FC-II dated 08.04.2010
(2) This Deptt.'s letter No.20-3/2007-FC-II dated 03.06.2010

Copy in memo
ED (8/9)

Sir,

I am directed to refer to this Department's letter of even number dated 08.04.2010 and 03.06.2010 regarding scheme for construction of godowns through private entrepreneurs for DCP States.

2. In this regard, it is stated that the guarantee period for the godowns to be constructed in the DCP States under the scheme is deemed to have been extended from Seven years to Ten years for private entrepreneurs and from Six years to Nine years for godowns constructed by CWC/SWCs on their own land with effect from 5th August, 2010, the date from which the guarantee period for the godowns in the non-DCP States was revised. However, where contracts/agreements/approvals have already been accorded under pre-revised guarantee Scheme (Seven years or Six years as applicable), such cases will not be re-opened.

3. All other provisions of the Scheme and subsequent modifications will remain unchanged.

Yours faithfully,

(Signature)
(A.K.Rana)

Under Secretary to the Govt. of India

ASST 11
copy
can offer
12/1/11
for need R.W.
13/1/11

2. **ITEM NO. 2/2011/332ND(URGENT)-BD)**

SUB: MODIFICATION IN MODEL TENDER FORM FOR CREATION OF STORAGE CAPACITY UNDER THE TEN YEAR GUARANTEE SCHEME.

The Board discussed in detail the Agenda Note placed before it and decided as under:-

9.1 Lease Deed - Agreed.

9.2 Registered deed of partnership/trust:- The Board of Directors agreed with the proposal with a direction that the time frame for submitting the registered partnership deed after award of contract may be given as 30 days.

9.3 Eligible bidders:- The Board of Directors agreed with the new clause with a direction to change the heading under which this new clause will be incorporated.

9.4 Adjustment of EMD:- The Board of Directors did not agree to the proposal and directed to retain the existing provision of the MTF.

9.5 Time period for acceptance of tenders:- Agreed.

9.6 Condition of opening of tenders:- Agreed.

9.7 Condition of low lying or flood prone:- The Board of Directors did not agree with the proposal.

The BOD directed that a separate administrative instruction may be issued to the nodal agencies to ascertain whether the site is flood prone.

For the purpose, the Board directed that wherever the committee/nodal agency have any doubt regarding flood prone area, they will obtain the certificate from the authorized officer of the Irrigation Department of the concerned state.

9.8 Polluting industries :- The Board of Directors did not agree with the proposal and directed that existing clause may be retained.

9.9 Motorable roads:- The Board of Directors did not agree with the proposal and directed that existing clause may be retained.

9.10 Inspection of godowns:- Agreed.

9.11 Land requirement:- Agreed.

9.12 Redressal of grievances at the time of take over of godown:-

The Board of Directors agreed to the proposal with a slight modification that for non-DCP states, concerned ED(Zone) would be Chairman of the Committee instead of Food Secretary. The BOD further directed that Director (Food) of the concerned state may be taken as a Member of the Committee as a representative of the State Government. For DCP states the BOD accepted the proposal in the agenda.

9.13 Difference in rates quoted by investors:- Agreed.

9.14 Separate bids for lease/lease with services :- The Board of Directors did not agree with the proposal and directed that nodal agency should decide in advance regarding the requirement of tender "with or without services" in the state. BOD directed that there should not be any provision for inviting bids both "with or without services" for a location and accordingly necessary instructions may be issued to nodal agencies in this regard.

9.15 High tension wire:- Agreed.

The Board of Directors authorized CMD, FCI to approve the Model Tender Form based on the decisions taken in the meeting. The BOD directed that the states where tenders have been invited and not yet opened, administrative instructions may be issued for extending the last date of submission of tenders so that the tenders are invited under the revised MTF. Accordingly, representatives of the nodal agencies may be invited to Hqrs. for explaining the changes made in the MTF.

3. ITEM NO. 3/2011(332ND(URGENT)-BD)

SUB: NOTE ON PROBLEM OF ROAD MOVEMENT IN NORTH EAST ARISING OUT OF FAILURE OF FCI'S ROAD CONTRACTS – RATIFICATION OF ACTION TAKEN BY FCI IN VIEW OF THE EMERGENT SITUATION IN NE ZONE.

ED(T) informed the Board the decision taken for maintaining supply of foodgrains in NE States. However the Board of Directors decided to defer the consideration of the item. It was decided that it may be taken up in the next meeting when AS&FA is also present.