

mstceaction



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.PO©I/DIS/MSTC/2010-11

O/o The VC & Managing Director,
Mushirabad, Hyderabad – 500 624.

Dated:30th January 2012

CIRCULAR NO: 02 /SPD/2011-2012 Dt: 30-01-2012

Subject: Disposal – Disposal of unserviceable vehicles, tyres, tyre materials and materials through e-auction on pilot basis at Zonal Stores HZ/UPL and Zonal Stores/VZM through M/s.MSTC Limited - regarding.

Corporation has been disposing of the Unserviceable Vehicles, Tyres, tyre materials and other material at various zones through the process of Tender Cum Auction (TCA).

M/s.MSTC Ltd., is a Government of India enterprise, a Miniratna Grade-I, functioning under Ministry of Steel. They are acting as selling agents for disposal of scrap and other items on behalf of major PSUs and State/Central Govt. Departments. The firm had come forward and proposed e-auction of unserviceable material of the Corporation.

The issue is examined by the Corporation in detail and it is decided to entrust the e-auction work at Zonal Stores, Hyderabad Zone/Uppal and at Zonal Stores/Vizianagaram to M/s.MSTC Limited on pilot basis for a period of one year as detailed here under.

- 1). Corporation will enter into an agreement with M/s.MSTC Limited as the selling agent.
- 2).M/s.MSTC Enterprises will dispose the scrap and rejected/condemned/obsolete secondary arising (ferrous/non-ferrous) as well as surplus obsolete stores, equipments and miscellaneous articles etc at Zonal stores, Hyderabad, Uppal and Zonal Stores, Vizianagaram, as is to be notified by the Corporation from time to time, through e-auction through their Auction web site 'www.mstcecommerce.com'.
- 3). The duration of the contract will be one year.
- 4).Apart from notifying in their web site, M/s.MSTC shall also advertise in leading news papers in English and Telugu including Urdu papers at their own costs and expenses.
- 5). The Controller of Stores, Zone shall provide M/s.MSTC Enterprises with the detailed specifications, locations ,quantity, quality and special remarks or any sort of restriction , if any, for disposal. The zone shall not amend/alter or modify the quantity of the lot after the auction is declared open and live. All such amendments /alterations /modifications

shall be made prior to commencement of auction and intimated to M/s.MSTC in writing for notifying the prospective bidders sufficiently in advance.

6). a). Feeding of the reserve price:

For the lots kept in the auction, the reserve price is to be fed. At present ED zone is having powers to dispose the lots of B&C class i.e, whose lot value is less than or equal to Rs.50,000/-

ED zone is competent to dispose of the A class lots (lot value more than Rs.50,000/-) whose highest offers received are equal to or more than two previous approved auction rates and more than the upset value wherever applicable.

i).For the material and tyre lots to be put on e-auction, the higher of the two previous approved auction rates should be put as the reserve price and the prior approval of ED zone with the concurrence of the Dy.CAO/Zone shall be obtained by the zonal COS to declare the lots, whose highest offers received are more than the two previous approved auction rates, as SOLD and to be displayed as such on line at the end of the auction.

The balance material lots and tyre lots shall be allowed to be shown as 'Subject To Approval' (STA) against them so as to be processed for the approval at Head Office for decision basing on the offers received in comparison with offers at other zones, the market trends and the accumulation, in view.

ii). For the vehicle lots, the highest of the upset value and previous two approved auction rates shall be kept as the reserve price. ED (Z) is competent to dispose of vehicle lots whose highest offers received are equal to or more than this reserve price fixed. Zonal COS can declare the above lots as SOLD after obtaining the prior sanction of the ED (Zone), with the concurrence of the Dy.CAO/Zone.

Cases shall be processed for the balance lots as per the procedure in vogue.

iii).For the fresh lots of material and tyres also if there is any upset value, the same may be fed as reserve price. Otherwise, the committee fixing the upset values for the vehicles can also fix the expected price to be taken as reserve price for these fresh lots.

iv).The reserve price shall be arranged to be keyed in by the Dy..CAO of the Zone concerned.

b). The present system of video graphing the auction process is not applicable since there is no physical auction process.

c). In case of any shortage in the lot quantity, the Controller of Stores/Zone is authorized to issue 'short -certificate' against the certification of releasing committee, for enabling the refund of the amounts if any, to the successful bidders.

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In case of any excess quantity, the excess quantity found shall be taken into account as per the procedure in vogue.

d). Pre bid EMD shall be fixed for the material/tyre lots as proposed here under:

i). Pre bid EMD may not be insisted on for those lots whose estimated value is less than Rs.One Lakh, except for U/S Vehicle lots.

ii).5% of the upset value of the vehicle lots subject to a maximum of Rs.10,000/- may be fixed as a pre Bid EMD for U/S Vehicle lots.

iii).5% of the estimated lot value, for the material and tyre lots, arrived at by multiplying the lot quantity with the higher of the previous two approved auction rates, subject to a maximum of Rs.50,000/- may be fixed as pre bid EMD for the material and tyre lots.

iv).For the fresh lots the pre bid EMD amount can be 5% of the estimated value as fixed by the committee.

7). The pre bid EMD amount @5% of the estimated value of the lot as furnished by the Corporation shall be paid by the firms in the form of DD in the name of the Dy.CAO of the zone concerned for which the auction is being conducted and this DD should be submitted to M/s.MSTC.

For the balance payments by the successful bidders, the firm shall make the payments to the Dy.CAO/ Zone in the form of separate DDs as detailed.

i).One DD for the balance EMD amount towards shortfall of the 10% of the bid value amount, less the pre bid EMD amount already paid, in the name of Dy.CAO of the zone concerned should be received at the office of M/s.MSTC within 7 days from the date of auction.

ii). The DDs for the balance EMD amount towards shortfall of the 10% of the bid value amount and DDs for the pre bid EMD amount pertaining to successful bidders, which are submitted at M/s.MSTC shall be forwarded to Dy.CAO/Zone concerned through COS/Zone concerned immediately after completion of the auction process to facilitate COS/Zone for feeding the information in OLIMS for generation of letter cum sale order.

iii).One DD for the balance amount towards 90% of the balance amount including sales tax/VAT, IT, surcharge on IT and any other statutory levies should be submitted in the name of the Dy.CAO/zone and at the office of the Dy.CAO/zone concerned as per the communication received either in lump sum or in installments depending on the lot value.

iv). The incidental charges @1% is not applicable and need not be collected.

v). One DD payable to and in the name of M/s.MSTC for an amount of 2% of the bid value plus the service tax amount applicable on that, should be submitted in the office of the Dy.CAO/zone concerned along with the DD towards the final payment.

In case of payment in installments, the DD towards the service charges as above should be submitted along with the DD for the payment towards the final installment.

8). Service Charges as here under are payable to M/s.MSTC depending up on the sale value.

i). For sale value up to Rs.50 Crores in a year, service charges will be @2% plus applicable service tax.

ii). For sale value above Rs.50 Crores in a year, service charges will be @1.8% plus applicable service tax (for the value above Rs.50 Crores)

9). The COS/zone concerned will be the official from the Corporation for dealing with all the matters relating to the agreement and for implementing the provisions of the agreement under mutual discussion with the representative of M/s.MSTC constituting the standing committee as per the agreement.

10). For the successful bidder, the call letter cum Sale Order is sent by M/s.MSTC through email. Similarly the details of the sale order will be sent to APSRTC in the CSV file format. The Controller of Stores shall ensure that this information is properly and securely fed in OLIMS and a Sale Order is generated with detailed payment schedule to facilitate generation of Sale Issue Note through OLIMS, after receipt of the 10% EMD DDs from M/s.MSTC.

11). After the realization of the full lot value and satisfactory completion of the sale process, the DDs received towards the service charges shall be forwarded to M/s.MSTC Enterprises by the Dy.CAO zone concerned.

12). In case of any shortfall of quantity than the tendered/auctioned quantity at the end of the sale, the proportionate service charges & service taxes collected by M/s.MSTC shall be refunded to the buyer directly by M/s.MSTC under intimation to the COS/Dy.CAO of zone concerned.

13). The detailed terms and conditions are also enclosed.

This has the concurrence of FA and CAO.


3/2/2012
Vice Chairman & Managing Director

Copy to:

All EDs/FA/CAO for information

Secy.to Chairman for information

CA/ CFM/ CCOS/ Sr.RAO,AG, COS/Dy.CAO of HZ-Uppal and Vizianagaram Zones/
Dy.CAO(TA&INS) for information and necessary action.

CE(IT) for information and to provide the necessary changes in software accordingly.