

“TERMS OF REFERENCE”
FOR CONSULTANCY STUDY FOR
“FIXATION OF SELLING PRICE OF BAMBOO RAW MATERIAL OF
ANDHRA PRADESH FOREST DEPARTMENT TO BE SUPPLIED TO THE
PAPER MILLS IN ANDHRA PRADESH DURING 2012-13 SEASON”

I. BACKGROUND:

As per the guidelines of the Government of India Forest Produce, i.e., Bamboo raw material to be allocated to the Paper Mills for their use in a sustainable manner. Keeping in view the above guiding principle, the Government of Andhra Pradesh have decided to rationalize the Selling Prices of Bamboo raw material to be supplied to the various Paper Mills in the State through a legislation called **“Andhra Pradesh Forest Produce (Fixation of Selling Prices) Act, 1989”**.

In exercise of the powers conferred by sub-section (1) of Section-10 of the above Act, the Government of Andhra Pradesh have made the Rules under the title **Andhra Pradesh Forest Produce (Fixation of Selling Prices) Rules, 1991 and as amended in G.O.Ms.No.176, EFS&T (For.III) Dept., dt.20.10.2010.**

The Rule 8 of the above Rules prescribes that the Selling Price shall be fixed for each year (**commencing from 1st October & ending with 30th September of the next calendar year**) basing on **market situation**. It also states that the price will be fixed basing on the recommendation of an independent Consultant appointed by the Government.

Hence the Bids are being called for undertaking the study of the cost of production of Bamboo Raw Material in the State of Andhra Pradesh and the market prices of the Bamboo Raw Material in the State of Andhra Pradesh and the adjoining States so as to arrive at a realistic Selling Price of the Raw Material for supply to the Paper Mills in the State of Andhra Pradesh during the Bamboo season 2012-13.

II. OBJECTIVES:

The objective of the study is to arrive at **the cost of production of the Bamboo raw material** (Industrial Cuts) of the Bamboo Plantation Project of the Andhra Pradesh Forest Development Corporation, the trend in the market prices of Bamboo in the State of Andhra Pradesh as well as the adjoining States during the period **from 1st October 2011 to 30th September 2012** and arrive at the realistic market price of the Bamboo raw material of Andhra Pradesh Forest Department to recommend the competitive **Selling Price of the Bamboo raw material of Andhra Pradesh Forest Department** for supplying to Paper Mills for the year 2012-13, **to be fixed by the Government.**

III. TERMS OF REFERENCE:

- A. To recommend the Selling Price as per the guidelines and the provisions of the **“Andhra Pradesh Forest Produce (Fixation of Selling Prices) Act, 1989”** and the **“Andhra Pradesh Forest Produce (Fixation of Selling Prices) Rules, 1991”** and as amended in G.O.Ms.No.176, EFS&T (For.III) Dept., dt.20.10.2010.
- B. To collect data on:
- a) The procurement of Bamboo Raw Material **from various sources** during last 3 years by the 3 Paper Mills* located in Andhra Pradesh,
 - b) The pattern of consumption of **various kinds of raw materials** during last 3 years by the 3 Paper Mills located in Andhra Pradesh
 - *a. A.P. Paper Mills, Rajahmundry, b. ITC, Bhadrachalam and c. Sirpur Paper Mills, Kagaznagar
- C. To prepare the Selling Price in such a way that it will not be less than the production cost (using the discounted cash flow techniques) and will be competitive with reference to the Selling Price of such raw material procured by the Mills from the private growers in the State as well as the Selling Price / Royalty fixed by the Forest Departments / Forest Corporations of Karnataka, Maharashtra, Madhya Pradesh, Chhattis Garh and Orissa.
- D. Study report in a complete shape shall be submitted latest by 07th of January 2013.

IV. METHODOLOGY:

The methodology shall be developed following the **“Andhra Pradesh Forest Produce (Fixation of Selling Prices) Rules, 1991**, as amended from time to time.

It will involve:-

- a) Collection of data on cost of production of Bamboo raw material of Bamboo Plantations of the Andhra Pradesh Forest Development Corporation Limited.
- b) Collection of data on Sales / Supplies of Bamboo raw material from the Andhra Pradesh Forest Department and Andhra Pradesh Forest Development Corporation during last 3 years.

- c) Collection of data on cost of production and Sales / Supplies of Bamboo raw material from the Forest Departments and Forest Development Corporations of the States of **Karnataka, Maharashtra, Madhya Pradesh, Chhattis Garh** and **Orissa**, to the Paper Mills in the respective States and **to the Paper Mills in A.P during last 3 years.**
- d) The procurement of Bamboo Raw Material **from various sources** during last 3 years by the 3 Paper Mills located in Andhra Pradesh.
- e) The pattern of consumption of **various kinds of raw materials** during last 3 years by the 3 Paper Mills located in Andhra Pradesh.
- f) Compilation and Analysis of data collected.
- g) Discussions with senior Officials of the Forest Departments and Forest Corporations of the States cited.
- h) Discussions with the senior Officials of the Paper Mills, Other senior Officials in Government and Industry for relevant information.
- i) Preparation and submission of the study reports along with recommendation to the Forest Department of Andhra Pradesh.

V. OUTPUT:

The Consultants will submit study reports in two parts –

- j) **Draft Report** for the Selling Price of Bamboo raw material for supply to the Paper Mills during 2012-13, for comments of the APFD.
- k) **Final Report** for the Selling Price of Bamboo raw material for supply to the Paper Mills during 2012-13, for comments of the APFD.

VI. TIME FRAME:

The Consultants will submit the study reports as follows: -

S.No	Report	Time Frame
1	Draft Report	15 days from the date of sanction of the Consultancy by the Government.
2	Final Report	7 days from the date of receipt of the comments from the Forest Department.

VII. MODE OF PAYMENT:

Total consideration agreed to by the Government shall be paid as follows:

1	At the time Sanction of the Assignment	40% of the total amount.
2	On submission of the Draft Report	30% of the total amount.
3	On submission of the Final Report and its approval by the Government	30% of the total amount.
	Total	100%

Sd/- B.S.S.Reddy,
for Prl. Chief Conservator of Forests
(Head of Forest Force)

//true copy//

for Prl. Chief Conservator of Forests

