

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

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No. 20914 /F.,  
FIN-COD-MISC-0006-2018

Dated. 13.06.2019

From

**Shri Ashok K K Meena, IAS  
Principal Secretary to Government**

To

**The Additional Chief Secretary to Government/  
Principal Secretary to Government/  
Commissioner-cum-Secretary to Government/  
All Departments.**

Sub: **Adoption of E-auction, E-sale and E-procurement platform of  
Metal and Scrap Trade Corporation (MSTC) Limited**

**Sir,**

The e-disposal of scrap, unserviceable vehicles /obsolete materials including e-wastes of Government Offices ,transparent and fair sale of own productions of state Government (Agricultural, Forest Produce, ores & minerals) and enhanced use of online bidding for any value of Government procurement through a single and secure platform have been engaging attention of Government .

After deliberation, Government have been pleased to allow Government Departments /PSUs/ Autonomous Bodies /Societies/Local Bodies and other Non-Government entities to avail of the following services of Metal and Scrap Trading Corporation (MSTC) Limited through competitive transparent bidding to earn/save more revenue to the State.

- a) Sale of scrap, unserviceable/condemned/obsolete material including e-wastes, store (Ferrous and non-ferrous), Plant and Machinery, condemned vehicles and any other items for disposal through Forward E-Auction of MSTC's E-Commerce platform.

- b)** Sale of Products like Ores & Minerals, Forest Produce, Agricultural produce, etc., through Forward E-SALE using MSTC's E-Commerce platform.
- c)** Purchase of common use goods and services, which are not available on GeM portal as may be required by the Buyer Department/PSU through MSTC's e-procurement platform.

The e-procurement services on MSTC portal shall be used in exceptional circumstances, for procurement of common use goods and services, which are not available on GeM portal. In such case, a certificate is to be furnished by the Officer responsible for the procurement to the effect that the goods/services to be procured are not available on GeM portal.

## **2. Responsibility of the Buyer**

The concerned individual Departments/PSUs/Autonomous Bodies /Societies/ULBs and other Non-Government entities have to register separately in MSTC portal to avail the services of the MSTC Ltd after entering into a common agreement with the MSTC Ltd. The model Service Provider Agreement is attached as **Annexure-A**.

**ii)** In case of E-auction, Reserve price/off set value of goods will be fixed and entered by concerned User Department/PSU in the web site of MSTC. Individual user Department will give necessary Advertisement in the Newspaper as per their requirement.

**iii)** In case of e-procurement, the Commercial and Technical evaluation of the Bidders/Suppliers will be done by the User Department/Buyer. In case any physical inspection of the item/process is required before qualifying any Supplier/Vendor, then the same will be allowed by the User Department/Buyer or they can appoint a Third Party Inspection Agency for carrying out such inspection.

**iv)** All Government Departments/Autonomous Bodies /Societies/Local Bodies and other Non-Government entities are advised to register on GST Act to avail the services of MSTC Ltd. In case of auction sale of waste and scrap, Government Departments are exempted from GST registration, as per notification 37/2017 of Government of India, Ministry of Finance, Department of Revenue, dated 13.10.2017 read with the notification of Government of India in the Ministry of Finance (Department of Revenue) No. 4/2017- Integrated Tax Rate dated 28<sup>th</sup> June, 2017.

**3.** MSTC Ltd. Shall be entitled to the following Service provider charges for the E-auction, E-sale and E-procurement Services:

Sl. No.	Services	Rate of Service provide charge
1.	e-Auction	1.60 % of the value of materials disposed of.
2.	e-Sale	i) 0.2 % of the of value of the Products like Ores & Minerals disposed and 0.5 % of the value of products such as Forest Produce, immovable properties etc., disposed of subject to a maximum of Rs.75,00,000/- per event ii) Rs.32,000 per block for the successful allocation of each minor mineral block.
3.	e-Procurement	Transaction fee @ 0.03 % of the estimated / starting price from each bidder subject to a maximum of Rs.10,000/- per event per bidder will be collected

**4. i)** In case of e-auction/e-sale proceeds of Government Offices, MSTC shall accept sale price/bid money and deposit the same in the following head of account in IFMS Portal of the State Government for online deposit:

**“0075-Miscellaneous General Services-800-Other Receipts-0097-Misc. Receipt-02180-Sales proceeds of dead stocks, other unserviceable materials/machineries.**

**ii)** In case of e-auction/e-sale proceeds of PSUs, MSTC will deposit the sale price/bid money in the respective bank account of the PSUs through NEFT.

**5. E-Procurement through MSTC :**

There is no monetary limit of the estimated value for which the e-procurement through MSTC will be preferred. The direct online purchases for any estimated value can be made by the Government Departments/PSUs through MSTC portal with the tools of online bidding and reverse auction, if decided by the competent authority after confirming the non-availability of particular goods/services on GeM portal.

**6. The payment procedure for E-procurement through MSTC portal :**

**i)** Under the arrangement for making payment to the Suppliers for purchases made through MSTC portal, the DDO of the concerned office will submit the bill to the concerned Treasury within 15 days of receipt of goods with countersigned delivery challan and copy of the print-out of the invoice along with bank details of the Supplier, while submitting claim to

the Treasury. The bill will be processed in the Treasury and the payment will be credited into the bank account of the Supplier. The DDO can obtain UTR (Unique Transaction Reference) against the payment made and submit the same in the MSTC portal.

**ii)** In case of purchases made by PSUs/Autonomous Bodies /Societies/Local Bodies and other Non-Government entities through MSTC portal, PSUs will transfer the payment through NEFT in the bank account of the Supplier within 15 days of the receipt of the goods or periodical payment will be made as per the agreement in case of procurement of Services.

## **7. Training and Implementation :**

MSTC Ltd. will provide necessary training and support for operationalization of the services required by the Administrative Departments and other non-Government entities.

**These instructions shall be deemed to be a part of Odisha General Financial Rules.**

Yours faithfully,

Sd/-

**Principal Secretary to Government**

## ANNEXURE-A

### SERVICE PROVIDER AGREEMENT

1.0 **THIS AGREEMENT** is made on this \_\_\_\_\_day of \_\_\_\_\_(Month) \_\_\_\_\_(Year) on the orders of the Governor of Odisha, by and between "the Principal", represented by Head of the Department/Non-Government entity (which expression shall unless excluded by or repugnant to the context be deemed to include its successors and assigns) and MSTC Limited (A Govt. of India Enterprise) incorporated under the Companies Act, 1956 having its Registered Office at 225-C, Acharya Jagdish Chandra Bose Road, Kolkata-700 020 and represented by its Branch Office at Room No: TP-B/1-03 & TP-B/1-08, Toshali Plaza, 3<sup>rd</sup> Floor, Satya Nagar, Bhubaneswar - 751007 hereinafter called "MSTC" (which expression shall unless be excluded by or repugnant to the context be deemed to include its successors and assigns) here in after described as Second Party.

2.0 **WHEREAS** the Principal has viewed the contents as displayed on the website of MSTC and is desirous of engaging MSTC as its Service Provider for:-

**a)** Sale of scrap, unserviceable/condemned /obsolete material including e-wastes/ store (Ferrous and non-ferrous), Plant and Machinery, condemned vehicles and any other items for disposal through Forward E-Auction of MSTC's E-Commerce platform.

**b)** Sale of Products like Ores & Minerals, Forest Produce, Agricultural produce, etc. through Forward E-SALE using MSTC's E-Commerce platform.

**c)** Purchase of any type of goods, plant, machinery, equipments, spares, finished/semi-finished product, etc and any type of services/ as may be required by the Principal through MSTC's e-procurement platform.

**3.0 WHEREAS** the Principal has agreed to engage MSTC as its Service Provider for the above purpose on the terms and conditions mentioned / displayed in the website [www.mstcindia.co.in](http://www.mstcindia.co.in) and [www.mstcecommerce.com](http://www.mstcecommerce.com) and also the Terms and Conditions mentioned hereinafter.

**4.0** **NOW** it is hereby agreed and declared by the parties hereto as follows:

**4.1** This Agreement covers sale as well as purchase as mentioned in clause 2.0 above.

**4.2** In addition to the above, add-ons to the category of items may be effected through this agreement on mutual consent.

#### **5.0 DURATION OF AGREEMENT**

The Agreement will remain valid for 3 (three) years from the date of signing of this Agreement. Extension of the agreement is subject to review of the performance of the Service Provider by a contract monitoring committee constituted at the level of Principal. The agreement shall be subject to termination with clear **three months'** notice, in writing from either side before the expiry of the contract. If the agreement is terminated by either party, steps shall be taken to ensure that termination does not affect any prior obligation, project or activity already in process.

#### **6.0 FOR FORWARD AUCTION NATURE & SCOPE OF SERVICE & RESPONSIBILITY OF MSTC:**

**6.1** MSTC shall conduct auction sale directly and in no case the appointment of any dealer/trader/auctioneer for the purpose will be considered.

**6.2** MSTC will offer guidance in regard to making of lots for the purpose of Auction and will act on the basis of the list of disposable materials received from the Principal.

**6.3** MSTC may arrange publicity for disposal through E-auctions by way of occasional advertisements in leading dailies / Newspapers / Websites on bill reimbursement basis by the user Department/ Non-Government Entity. In addition the system shall notify automatically to all the buyers who are registered with the auction website i.e [www.mstcecommerce.com](http://www.mstcecommerce.com) regarding all the forthcoming E-auctions specifying therein all relevant details about the materials / Lots / date & time of opening & closing of auctions etc. at no cost.

**6.4** MSTC shall arrange disposal of the materials primarily through auction via the website [www.mstcecommerce.com](http://www.mstcecommerce.com).

**6.5** On the close of any auction Principal will receive a system generated Email indicating the status of the Auction which will inter alia include Sold Lots, Subject To Approval (STA) lots and also lots not sold with highest bid received for Principal's record. The Principal shall have the option to visit the website in order to obtain a full report of any particular auction,

which will normally depict the replica of the Bid Sheet of a particular auction.

**6.6** Reserve Price/Off set Price must be fixed and entered by the Principal in the website, which will be only accessible by the Principal and none else, for the disposable materials. In case the Reserve Price/Off set Price is not entered by the principal prior to commencement of the Auction, the lots for which the reserve price have not been entered, shall stand automatically withdrawn by the system.

**6.7** If, in respect of any item(s) covered under the Selling Agency Agreement, it is desired by the Principal to have a market survey, the costs for the same will have to be borne by the Principal. The market survey could be done by MSTC themselves or by engaging consultants.

**6.8** MSTC shall enter into sale contracts with the successful bidders/ buyers/customers by issuing Sale Orders/Acceptance Letters on behalf of the Principal through the system for the sold lots and necessary intimation has to be sent to the principal accordingly.

**6.9** In case of e-auction/e-sale of Government Offices, MSTC shall accept sale price/bid money in case of sale scraps, dead stock etc. and deposit the same in the following head of account in IFMS Portal of the State Government for online deposit:

**“0075-Miscellaneous General Services-800-Other Receipts-0097-Misc. Receipt-02180-Sales proceeds of dead stocks, other unserviceable materials/machineries/waste paper and other article”**

**6.10** In case of e-auction/e-sale of PSUs, MSTC will deposit the sale price/bid money in the respective bank account of the PSUs through NEFT.

The successful buyers will have the option to remit their money through NEFT/RTGS or thorough Demand Draft to any of the offices of MSTC. The principals will be able to access data of payments etc., at the website.

**6.11** MSTC shall prepare and issue Delivery Orders after receipt of the full payment from the concerned buyers, through the system. On production of the Delivery Order issued by MSTC, the Principal will allow the delivery of materials.

**6.12** MSTC shall also be responsible for follow-up of orders booked.

**6.13** MSTC acknowledges the relationship of trust and confidence established between MSTC and the Principal by this agreement. Accordingly, all acts of MSTC shall be consistent with the relationship. MSTC shall always act, in respect of any matter relating to this Agreement, as an honest and faithful agent of the Principal. MSTC shall at

all-time support and safe guard the Principal's legitimate interests in its dealings with the third parties. MSTC shall at all times perform its responsibilities hereunder in the best interest of the Principal.

**6.14** MSTC shall not accept for its own benefit any commission, discount or other payment from any third party in the discharge of its obligation.

**6.15** MSTC shall not engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to MSTC under or pursuant to this Agreement.

**6.16** MSTC shall perform the services under this Agreement in strict conformity with applicable laws, bye-laws, rules and regulations etc.

## **7.0 NATURE & SCOPE OF RESPONSIBILITY OF THE PRINCIPAL FOR FORWARD AUCTION:**

**7.1** The Principal shall provide MSTC with the list of materials with detailed specifications and descriptions, locations, quantity, quality and special remarks or any sort of restriction, if any, for disposal through e-mail and hardcopy. The Principal shall not amend/alter or modify the quantity of the lot after the e-auction is declared open and live. All such amendments/ alterations/modifications shall be made prior to auction and intimated to MSTC in writing for notifying the prospective bidders sufficiently in advance.

**7.2** The Principal shall indicate the half yearly availability of items for disposal as far as possible for each category. The auction programme shall be finalized between MSTC and Principal for each quarter as per mutual convenience depending upon their convenience Principal will combine the list of disposable items of its various units.

**7.3** The Principal shall cause to effect deliveries to the buyers/customers as per Delivery Orders issued by MSTC and as per directions given by MSTC from time to time. Any disputes arising while effecting deliveries to successful bidders/buyers shall be dealt with by the Principal.

**7.4** The Principal shall be responsible for raising invoices to the successful bidders as per the terms and Sale Orders/Delivery Orders issued by MSTC.

**7.5** The Principal may monitor the auction and will be able to view the bid history etc., during the continuation of the E-auction.

**7.6** The principal is required to register under GST act to avail the services of MSTC Ltd. In case of auction sale of waste and scrap,



Government Departments/PSUs are exempted from GST registration, as per notification 37/2017 of Government of India, Ministry of Finance, Department of Revenue, dated 13.10.2017 read with notification of Government of India in the Ministry of Finance (Department of Revenue) No. 4/2017-Integrated Tax Rate dated 28<sup>th</sup> June, 2017.

**7.7** If the Principal is a registered dealer under appropriate GST Act, MSTC will ensure collection of GST & other statutory taxes (if any) before issuing final Delivery Order. In case, if the principal is not registered under GST Act, provisions of GST Act and Rules made thereunder will be followed.

**7.8** MSTC has to provide its standard terms and conditions of sale of materials to the Principal. The Principal will not insist on MSTC for any deviation from standard terms of sale of MSTC unless otherwise found important for security and/or secrecy.

## **8.0 E PROCUREMENT: NATURE & SCOPE OF RESPONSIBILITY OF MSTC:**

**8.1** MSTC will **offer** services of e-procurement of the items mentioned in clause 2a vide their web site [www.mstcecommerce.com/eprochome/](http://www.mstcecommerce.com/eprochome/)

**8.2** MSTC will register each user Department/Non-Government Entity as the Buyer in MSTC e-procurement portal on specific request of the respective Department. **MSTC will provide user id and password for using the web site for conducting e-procurement events.**

**8.3** MSTC will also register the Suppliers of various commodities and services as per the requirement of User Department. Individual User Department will provide existing list of suppliers/vendor to MSTC at least one month before from the proposed schedule of event, for registering them as Supplier.

**8.4** If, in respect of any item covered under this Agreement, it is desired by the Principal to have a market survey, the cost for the same will be borne by the Principal. The market survey could be done by MSTC themselves or by engaging consultants as may be mutually decided.

## **9.0 RESPONSIBILITY OF THE BUYER**

**9.1** The Buyer will prefer E-procurement through MSTC under exceptional circumstances, for procurement of common use goods and services, which are not available on GeM portal. In case the procurement is inevitable through MSTC portal, a certificate is to be furnished by the Officer responsible for the procurement to the effect that the goods/services to be procured is not available on GeM portal.

**9.2** Each user Buyer will perform all the activities of E-Procurement directly by themselves over MSTC website starting from creating event/Reverse Auction, loading the documents like auction catalogue and details of procurement items/services, evaluation of technical bid, commercial bid and conducting reverse auction (price bidding) by fulfilling all requirements as per terms and conditions of the Reverse Auction which would be framed by individual user Departments.

**9.3** Individual Buyer will give necessary Advertisement in the Newspaper as per their requirement with the Commercial/Technical Aspects/Specifications of the goods/services to be prescribed by the Principal/Buyer. Only that Suppliers/Vendors/Seller will qualify for bidding who fulfill the Eligibility Criteria relating to the Commercial and Technical aspects. The Commercial and Technical evaluation of the Bidders/Suppliers will be done by the User Departments/Buyer. In case any physical inspection of the item/process is required before qualifying any Supplier/Vendor, then the same will be allowed by the User Departments/Buyer or they can appoint a Third Party Inspection Agency for carrying out such inspection.

**9.4** The Buyer shall not modify the quantity/quality of the item/service to be purchased after the start of the event. Depending upon the convenience, User Departments/Buyer will combine the list of items of its various units.

**9.5** The Buyer shall download from portal of MSTC Ltd with their specific login ID, the output statements viz. Bid Sheet, Comparative statement of commercial Bid, statement of Technical bids, Comparative statement of price bid etc.

**9.6** The Buyer shall issue Purchase Order/Work Order to the successful Bidder/Supplier as per their procedure and shall be responsible in all respects for the performance of the same.

**9.7** The User Departments/Buyer shall cause to take deliveries from the Suppliers/Sellers as per Purchase/Work Orders issued by them. All disputes/litigations arising out of or relating to such purchase/work orders including deliveries, payments etc., shall exclusively dealt with by the Buyer/user department.

**9.8** The User Departments/Buyer agrees to indemnify and keep indemnified MSTC LTD its men and officials at all times and from time to time against all claims, demands, proceedings, actions, costs, damages, expenses or otherwise arising out of and/or in connection with this Agreement or incidental thereto for any act, deed or thing done or caused

to be done by MSTC Ltd its men and officials by or under or in pursuance of this Agreement.

### **10.0 Transfer of Data**

**10.1** MSTC agrees to link their main server with the Server at SDC (State Data Centre) of Govt. of Odisha and shall transfer all the data of their transactions to SDC on real time basis for each and every event, if required.

### **11.0 Incorporation of Integrity Pact by reference**

**11.1** The parties hereto agree to be bound by the terms of the Integrity Pact prescribed under the rules, the terms whereof are known to the parties hereto and deemed to be incorporated by reference in this Agreement as part thereof.

### **12.0 SERVICE PROVIDER CHARGES**

**12.1** MSTC shall be entitled to service provider charges, in consideration of the services to be provided:-

**a) For Forward e-Auction** : @ 1.60% of the value of materials disposed, arrived on the basis of the value of the Delivery Order (D.O.) of Scrap, unserviceable/condemned /obsolete material/ store (Ferrous and non-ferrous), U/s Plant and Machinery/e-waste etc issued through Forward Auction(collected as part of the material value) .

**b) i) For Forward e- Auction(e-Sale)** : @0.2% of the of value of the Products like Ores & Minerals disposed and 0.5% of the value of products such as Forest Produce, immovable properties etc., disposed subject to a maximum of Rs.75,00,000/- per event through Forward E-Auction (collected as part of the material value).

**ii)** Rs.32,000 per block for the successful allocation of each minor mineral block.

**c) For e-Procurement:** Transaction fee @ 0.03% of the estimated / starting price from each bidder for every event subject to a maximum of Rs.10,000/- per event per bidder will be collected (payable through payment gateway directly to MSTC).

**12.2** The service provider charges are exclusive of any other taxes and duties levied by the Statutory Authorities of different States and Central Government. GST as applicable on service provider charges which shall be payable extra by the principal.

**12.3** In case of Forward Auction, Service Charge payable along with applicable taxes to MSTC shall be deducted from the material value in each e-auction and remaining amount will be remitted to the Principal. The details thereof shall be forwarded along with the signed bill and receipt within seven working days.

**12.4** Whenever any auction is cancelled/deferred/postponed under the advice/instruction of Principal, the actual cost of advertisement etc. shall be reimbursed to MSTC by the Principal (if any).

**12.5** The above Service provider Charges shall also be applicable on the amount of forfeited Security Deposit (if any).

**13.0 Reporting obligation of the Service Provider:**

MSTC Ltd. Will furnish a quarterly report in the official e-mail address of the Principal on the e-commerce transactions of the principal made during the period and half yearly report to Finance Department by e-mail on the transactions made by the State Government during the period along with default if any, regarding payment obligations of the MSTC/Principals.

**14.0 STANDING COMMITTEE FOR IMPLEMENTATION OF THE AGREEMENT**

The Principal and MSTC may nominate one official each for dealing with all matters relating to this Agreement. The working arrangements for implementing the provisions of this Agreement shall be mutually discussed and decided upon.

**15.0 EXECUTION OF CONTRACT**

Contract(s) of the Principal existing at the time of execution of this Agreement will continue to operate and will not come under the purview of this Agreement. Similarly, at the expiry of this Agreement, the orders booked by MSTC will continue to operate as if this Agreement continues till the execution of those orders.

**16.0 HANDLING OF SUITS:**

Since MSTC will act as a Service Provider of the Principal, all legal cases will be handled and fought by the Principal. The legal expenses in such cases will be borne by Principal. Any legal expenses coming on MSTC will also be borne and paid by Principal. However, if the Litigation arises out of any fault on the part of MSTC alone MSTC shall pay the amount incurred by the Principal to the extent of MSTC's fault.

MSTC shall take prior permission of the Principal for instituting legal case in any Court of the Law in the matters arising out any sale/e-auction/e-procurement under this agreement.

**17.0 AMENDMENT:**

Any amendment to this Agreement would be enforceable only if made in writing and duly signed by authorized representatives of the parties hereto.

**18.0 FORCE MAJEURE CLAUSE:**

If, any time during the continuance of the Agreement, the performance, in whole or in part by either party, of any obligation under this Agreement be prevented or delayed by reason of any war, hostility, act of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lock-outs, Technical and / or Connectivity failure which is entirely beyond the control of MSTC etc. or acts of God (hereinafter referred to as "events") provided notice of happening of any such eventuality is given by the affected party to the other within 21 days from the date of occurrence thereof, neither party shall be reason of such event have any claim for damages against the other in respect of such non-performance or delay in performance, provided further that if the performance in whole or part of any obligation under this Agreement is prevented or delayed by reasons of any such event for a period exceeding sixty days, the parties shall try to arrive at an amicable settlement, failing such settlement the Principal may terminate this Agreement at its sole discretion and in such event MSTC shall be bound to pay all the expenses and other moneys recovered from the bidders to the Principal forthwith.

**19.0 TERMINATION:**

This Agreement shall be subject to termination with clear 3 (three) calendar months' notice in writing from either side before the expiry of the contract without assigning any reason.

**20.0 ARBITRATION CLAUSE:**

In the event of any dispute or difference relating to the interpretation and/or application of the provisions of this Agreement, such dispute or difference shall be resolved through mutual consultation by the Secretary of the concerned Administrative Department on behalf of Government of Odisha and CMD, MSTC on behalf of MSTC Ltd. If such dispute or difference is not settled through mutual consultation within 60 days from the date of raising such dispute or difference, such dispute or difference shall be settled by Chief Secretary of Odisha, as an appellate

authority. The decision of the Chief Secretary shall be final, conclusive and binding upon the parties.

**21.0 APPLICABILITY OF LAWS**

The Agreement shall be governed by the Indian Laws for the time being in force.

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**WITNESS WHEREOF** the parties hereto have subscribed their respective hand this \_\_\_\_\_ day of \_\_\_\_\_ first above written.

**FOR AND ON BEHALF OF PRINCIPAL**

(AUTHORISED SIGNATORY)  
Administrative Department/Non-Government Entity,  
Government of Odisha

**WITNESS:**

- 1.
- 2.

**FOR AND ON BEHALF OF MSTC LIMITED**

(AUTHORISED SIGNATORY)  
CHIEF MANAGING DIRECTOR  
MSTC LIMITED  
KOLKATA.

**WITNESS:**

- 1.
- 2.