



CENTRAL MEDICAL SERVICES SOCIETY
(An Autonomous Society under Ministry of Health & Family Welfare, Govt. of India)

2nd Floor, VishwaYuvak Kendra, Pt. Uma Shankar Dikshit Marg,
Teen Murti Road, Chanakyapuri, New Delhi -110021

No. CMSS/LSC/TRANSPORT TENDER/ HYDERABAD/2023-24/205/891 Dated: - 04/09/2024

To,

M/s Caper India Pvt. Ltd.
302, Ascot Centre, Next to Hilton Hotel,
Sahar Road, Andheri(E), Mumbai - 400099
Email - jitendrad@caperindia.com
M - 8700947359, 9920262963

Subject: - Debarring of M/s Caper India Pvt. Ltd. for participation in CMSS Hyderabad Transport Tender for a period of 01 year.

Reference: - 1) Show Cause notice (Letter No. CMSS/LSC/TRANSPORT TENDER/HYDERABAD/2023-24/205/709 dated 30.07.2024) issued by CMSS to M/s Caper India Pvt. Ltd.
2) An email received on 03.08.2024 from the firm, M/s Caper India Pvt. Ltd. against the Show Cause notice vide 30.07.2024.

Sir/Madam,

1. As cited subject, CMSS issued a Show Cause notice to M/s Caper India Pvt. Ltd. vide letter no. CMSS/LSC/TRANSPORT TENDER/HYDERABAD/2023-24/205/709 dated 30th July 2024 requesting the detailed explanation by 05.08.2024. This notice concern with the terms and conditions of the contract regarding non-submission of performance security to CMSS and not signing the contract agreement with CMSS for transportation services at Hyderabad warehouse location against CMSS contracts: -
 - i. To initiate proceedings to debar/ blacklisting of M/s Caper India Pvt. Ltd. of one year from Hyderabad WH for breach the contract in accordance with the above-mentioned terms and conditions of the contract.
 - ii. To cancel the LOA no. CMSS/LCS/TRANSPORT TENDER/HYDERABAD/2023-24/210/1122 against Tender no. CMSS/LSC/TRANSPORT TENDER/HYDERABAD/2023 (GEM Bid No.: - GEM/2023/B/3521586) for Hyderabad Location.
 - iii. To forfeit the EMD amount of Rs. 10,000/- submitted via Demand Draft no. 500410 on dated 06/07/2023 by M/s Caper India Pvt. Ltd.
2. The firm submitted the reply vide email dated 03.08.2024, in which it is stated that:-

"That the primary issue causing our hesitation is the variability in loading and unloading costs, which significantly affects the overall cost of operations. The costs associated with these activities have, at times, surpassed the cost of delivery itself. For example, as per our communication dated 13/02/2024, the charges for loading and unloading have varied between ₹10 and ₹45 per box, an inconsistency that makes it difficult to maintain cost-effective operations.



Despite multiple attempts to address these concerns through formal meetings and communications, including the significant discussion on 15/02/2024 at the Hyderabad warehouse, there has been no satisfactory resolution. The trade union's control over loading and unloading costs has proven to be a major impediment, as highlighted in our previous correspondences. We emphasized that standardizing these costs is crucial for the seamless execution of services, as unpredictable expenses create an untenable financial burden on Caper.

The financial impact of these variances is considerable. For instance, as noted in our email dated 23/02/2024, the disproportionate loading and unloading costs have, in some cases, exceeded the transportation charges, rendering our service provision financially unviable. Such scenarios not only undermine our ability to operate efficiently but also jeopardize our commitment to providing reliable service.

Kindly also take note of the fact that similar issues are being faced by Caper on other fronts as well. In our e-mail dated 8 November 2023, we raised a similar issue being faced in Ahmedabad, followed by another e-mail dated 30 November 2023 where the same issue arose in your Patna Warehouse.

However, with reference to the issue of consequence of the breaches as mentioned under Point 7 of the Show Cause Notice, we wish to submit the following points while stating that we explicitly deny any responsibility and liability with reference to the Mumbai Warehouse Tender:

1. As per Clause 2 of the Letter of Acceptance (LOA) it is stated that:

"Please convey acceptance to this LOA within 3 days of issue of this letter, else it will be presumed that you are not keen to accept the LOA and CMSS may proceed for allocation of work to other bidder and other actions stipulated in referred Tender document."

This clause clearly indicates that non-acceptance would not result in any adverse consequences for us. The LOA was bearing the date 22 November 2023, following that timeline; CMSS could have rescinded the Letter on 25.11.2023.

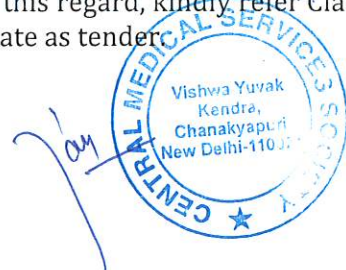
2. In the Notice Inviting Tender, under Clause 12 (c) it is stated that:

"The financial bid shall be valid for a period of 120 days from the date of opening of Technical Bid and prior to the expiry of the bid validity; the Tender Inviting Authority may request the Tenderers to extend the bid validity for such further period as deemed fit."

This clause reinforces our right to decline the acceptance of Tender within the validity period without facing repercussions, and it provides CMSS the flexibility to request an extension, which was not invoked in this case.

Given these points, we reiterate our commitment to working with CMSS under fair and transparent conditions. However, the current structure, with its unpredictable costs for loading and unloading, imposes an unreasonable financial strain on our operations. We request that that CMSS withdraw the issued Show Cause notice and revisit the terms of tender and address these critical issues."

3. The reply submitted by the firm in the Show Cause notice on 03.08.2024 which has been examined by the competent authority and found that reply has no merit. In this regard, kindly refer Clause 2 of LOA with Clause 10 (c) of the tender document which inter alia state as tender



Clause 2 of LOA, "Please convey acceptance to this LOA within 3 days of issue of this letter, else it will be presumed that you are not keen to accept the LOA and CMSS may proceed for allocation of work to other bidder and other actions stipulated in referred Tender document."

Clause no. 10 (c) of the tender document, "Within 14 days from the date of intimation of award of contract/Purchase Order/Letter of Award of Contract, the successful bidder (Transporter/Logistics Services Provider) should furnish a Demand Draft of Rs. 25,000/- (Rupees Twenty-Five Thousand only) in favor of Central Medical Service Society, Payable at New Delhi as Performance Security Deposit. In case Transporter fails to submit the Demand Draft, the EMD submitted by the respective bidder will be forfeited and punitive action shall be taken against the transporter including blacklisting."

4. In view of aforesaid provision of tender document, the following decision have been taken with the approval of Competent Authority with the immediate effect:-

- (i) The LOA no. CMSS/LCS/TRANSPORT TENDER/HYDERABAD/2023-24/210/1122 against Tender no. CMSS/LSC/TRANSPORT TENDER/HYDERABAD/2023 (GEM Bid No.: - GEM/2023/B/3521586) for Hyderabad Location stand cancelled.
- (ii) Your EMD amount of Rs. 10,000/- submitted via Demand Draft no. 500410 on dated 06/07/2023 has been forfeited.
- (iii) Your firm, M/s Caper India Pvt. Ltd. is debarred for the period of one year **(i.e., from 04/09/2024 to 03/09/2025)** for CMSS Hyderabad Warehouse for breach the contract in accordance with the above-mentioned terms and conditions of the contract.

This is issued with the approval of the Competent Authority.

With regards,

Jay
04/09/2024

General Manager (LSC)



विजय कुमार दींगरा / Vijay Kumar Dhingra
महाप्रबंधक (एलएससी) / General Manager (LSC)
केन्द्रीय चिकित्सा सेवा सोसाइटी / Central Medical Services Society
स्वास्थ्य और परिवार कल्याण मंत्रालय / Ministry of Health and Family Welfare
भारत सरकार / Government of India