

# Terms of Reference (TOR) for lease of the “Factory and Godown Building Roof Top” of Jute Mills Under Bangladesh Jute Mills Corporation for establishment of Solar Park

## 1.0 BACKGROUND

All the mills under Bangladesh Jute Mills Corporation (BJMC) ceased to operate since 1<sup>st</sup> July 2020 in accordance with the Government’s decision.

Subsequently, in exercise of the power conferred in section II of the Industrial Enterprise Nationalization Act 2018, the Government has decided to run these Mills under private management initially through lease or rental agreement.

In addition to that the Government has decided to set up solar parks in the Jute Mills of Bangladesh Jute Mills Corporation, using the roof tops of factory and godown building of Jute mills therein to produce sustainable electricity. The solar park will produce electricity and supply to the National Grid.

## 2.0 OBJECTIVES OF THE LEASE

The main objective of leasing out the Roof tops, structures and facilities of (name of mill) is to ensure and facilitate productive utilization of the same with a view to:

(a) enhancing production of solar energy in order to contribute to the energy sector as well as the national economy of Bangladesh; and

(b) **Securing contribute to reduction** in CO2 emissions during the Solar Park’s life span and help the Bangladesh Government to reach its overall goal to reduce CO2 significantly.

## 3.0 SCOPE OF LEASE

- 3.1 The tenure of the lease will be for 20 years, which may be extended on the basis of satisfactory performance of the first lease.
- 3.2 At the end of the 20 years period the ownership of the solar park will be transferred to BJMC or any other agency or organization designated by its behalf in full without any consideration / price.
- 3.3 Grace period will be 12 months for mobilization of resources, in such case the monthly rent shall be payable from 13<sup>th</sup> month after the date of handover of the roof top to the lessee. The lease will run for a full 20 years period after the grace period has ended.
- 3.4 The ownership of the roof top shall remain with the lessor and shall not deem to have been transferred.
- 3.5 The Lessee shall have the right to display and operate under its own name as leasee without prejudice to the original ownership.
- 3.6 Bangladesh Jute Mills Corporation (BJMC) shall not take part in operation of the solar project and shall not share profit or loss of its operation.

11.6.2023  
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বস্ত্র ও পাট মন্ত্রণালয়  
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- 3.7 The leasehold property (Roof Top) or any part thereof shall not be mortgaged or sub leased or rented to any third party including bank or financial institution or intermediary.
- 3.8 This TOR shall be an integral part of any agreement or contract executed in pursuance of this RFP bidding process.

#### **4.0 Right and obligations of the lessee**

- 4.1.1 The successful bidder shall have to deposit an amount of money ----- equivalent to 12 months rent as security of the lease, in connection with signing the lease agreement, which shall be refundable without interest after expiry/termination of the lease term and handing over the possession of the leasehold premises.
- 4.1.2 The Lessee shall pay the monthly rent with VAT and other Government charges within the 10<sup>th</sup> day of each English calendar month during the lease period.
- 4.1.3 The Lessee shall be responsible for payment of all utility bills in operation the solar park.
- 4.1.4 The Lessee shall be responsible for payment of all expenses related with operation and maintenance of the solar park including salary and wages of all staff / members and employee engaged with solar park.
- 4.1.5 The Lessee must obtain adequate and comprehensive insurance policy covering the equipment directly procured and used for the solar park project by its own cost. Any damage in the mill area due to negligence of the lessee will be compensated by the lessee.
- 4.1.6 The Lessee shall not damage/ demolish and or part with any structure of jute mills.
- 4.1.7 Lessee shall not construct any structure which create any obstacle, nuisance to the employee, worker of the mill.
- 4.1.8 Conduct of business under the lease shall be carried out subject to laws of Bangladesh.
- 4.1.9 The Lessee shall not use the leasehold properly to produce / sell or stock any goods / commodity which are not related to business proposed in the business plan submitted in the RFP process.
- 4.1.10 At the end of the lease term the lessee shall handover the leasehold premises (Roof Top) with fittings and fixture of the solar park to the lessor through a joint inventory.
- 4.1.11 The lessee shall abide by the related Rules and Regulations issued from Power Division, Bangladesh Energy Regulatory commission (BERC) and the Local Power Distribution Authority.
- 4.1.12 The lessee shall construct / rent the infrastructure (if required) for substation / switch room and build Transmission / Distribution lines (if required) at his own cost.

#### **5.0 Rights and obligation of the lessor**

- 5.1. The lessor shall obtain adequate and comprehensive insurance policies related to the buildings and all other parts of the mill area.
- 5.2. The lessor shall handover the leasehold premises within 01 (one) month after the signing the lease agreement with joint Inventory.



- 5.3 The lessor shall be responsible for payment of land development tax and other charges related to the ownership
- 5.4 The lessor with prior intimation to the lessee shall have the right to visit the leasehold premises to observe effective compliance of the lease contract.

## **6.0 Force Majeure**

6.1 In the event of the roof tops of the factory buildings / infrastructure or any part thereof being wholly or partially destroyed or seized by earthquake, tempest, flood, civil commotion, enemies of the State or other irresistible force beyond human control or the situation is beyond control due to act of God so as to render the same or any part thereof substantially unfit for the purpose of which it is or to be let out, neither the Lessee nor the Lessor shall be considered in breach of this contract. In such event, the lessee will not claim any damage or compensation from the lessor.

6.2 Any other issues arising from event of Force Majeure shall be governed by relevant laws of Bangladesh.

## **7.0 Cancellation or Termination of Lease**

- 7.1 If the Lessee fails to take over the roof tops of the factory and godown building/ infrastructure of jute mills within 03 (three) months' of signing the agreement, the Lease Offer will be automatically cancelled. In such a case, the Lessee shall be liable to pay compensation of an amount equivalent to 03 (three) months' rent as agreed for the rent of the roof top.
- 7.2 In case of any material violation of the Lease Contract, the Lessor shall have the right to cancel the lease through issuing 06 (six) months' notice.
- 7.3 The Lessee shall have the right to terminate the Lease Contract by issuing 06 (six) months' notice to the Lessor.
- 7.4 If the electricity production is discontinued continuously for more than 09 (nine) months due to the fault of the lessee and without the lessee giving notice hereof, then the agreement will be terminated giving 03 (three) months' notice.

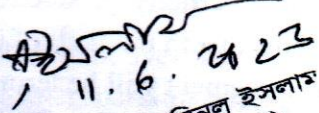
## **8.0 SUBMISSION OF LEASE PROPOSAL**

- 8.1 An individual bidder of local (Bangladeshi) origin with 100% ownership, or an individual bidder of foreign (other than Bangladeshi) origin with 100% foreign equity or a Joint Venture (JV) between more than one individual or entity of local and/or foreign origin with either of them as the lead partner, may submit RFP.
- 8.2 Any interested party shall submit bid for all mills.
- 8.3 Required details, qualifications and experiences of the bidders.
- 8.3.1 For Individuals and Firms (Local and Foreign bidder)
- i. Certificate of Incorporation, updated copy of Trade Licence(s), Income Tax Certificate, VAT Registration Certificate, Memorandum and Articles of Association, and other business documents up to the preceding years of the Bidder.

- ii. Both National and International experience of the Bidder or its Affiliates, Associates or any concern related with the Bidder, in commissioning solar park.
  - iii. Bidder or its Affiliates, Associates or any concern related with the Bidder must have adequate experience in setting up & operating solar park in the industrial sector.
  - iv. Bidder or its Affiliates, Associates or any concern related with the Bidder must have experienced group of people who encompasses the entire process required for the successful completion of solar park, including design, safety investigations, procurements, construction and commissioning of such power plants.
  - v. Bidder or its Affiliates, Associates or any concern related with the Bidder must have already commissioned at least 5 MW solar park using "rooftop" of any establishment.
  - vi. If Bidder or its Affiliates, Associates or any concern related with the Bidder is existing Lessees of BJMC owned Jute Mills will get preference.
  - vii. FDI will get preference.
- 8.4 The Lease Proposal shall include one Technical Proposal and one Financial Proposal both separately sealed. The final proposal should be submitted in a single packet.
- 8.5 The technical proposal shall contain a detailed business plan for the proposed lease term, which should reflect on how the bidder intends to setup solar park.
- 8.6 The financial proposal shall contain, among others, a monthly rent proposed.

## 9.0 FINAL EVALUATION

- 9.1 Technical and Financial Proposals shall be assessed and evaluated by an appropriate committee of Power Division of the The Ministry of Power, Energy and Mineral Resources, including the representative of the Ministry of Textiles and Jute.

  
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