

HANDICRAFTS MEGA CLUSTER MISSION (HMCM)

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**NOTICE INVITING EXPRESSION OF INTEREST FOR
ESTABLISHING COMMON FACILITY CENTRES FOR
PROCESSING AND VALUE ADDITION IN LUCKNOW MEGA
CLUSTER SCHEME OF MINISTRY OF TEXTILES GOVT. OF
INDIA IN LUCKNOW, U.P**

HMCM invites offers from interested and eligible agencies for setting up of Common Facility Centres with an objective to upscale and improve the production process of identified crafts. The other objective includes faster and quality production for value addition and increasing income level of the artisans.

Interested agencies having relevant experience may submit their EOI. The detailed TOR for the same can be downloaded from the website www.ncdpc.in or www.handicrafts.nic.in or can be obtained from the office of HMCM or the Regional office of DC (Handicrafts) Central Region Kendriya Bhawan 7th Floor, Sector H Aliganj, Lucknow-226024.

1. BACKGROUND

Hon'ble Minister of Finance in his budget speech 2014-15 announced Lucknow as the new mega cluster with an objective of inclusive development of crafts in the clusters of Lucknow in Uttar Pradesh. The guiding principle underlying the design of clusters would be to create modern infrastructure and to integrate the production chain in a manner that caters requirement of the handicraft artisans in the Clusters.

In brief, the main objective of setting up this cluster is to assist the stakeholders in availing the facilities set up with modern infrastructure, latest technology, design innovations and adequate training and Human Resource Development (HRD) inputs along with appropriate market linkages.

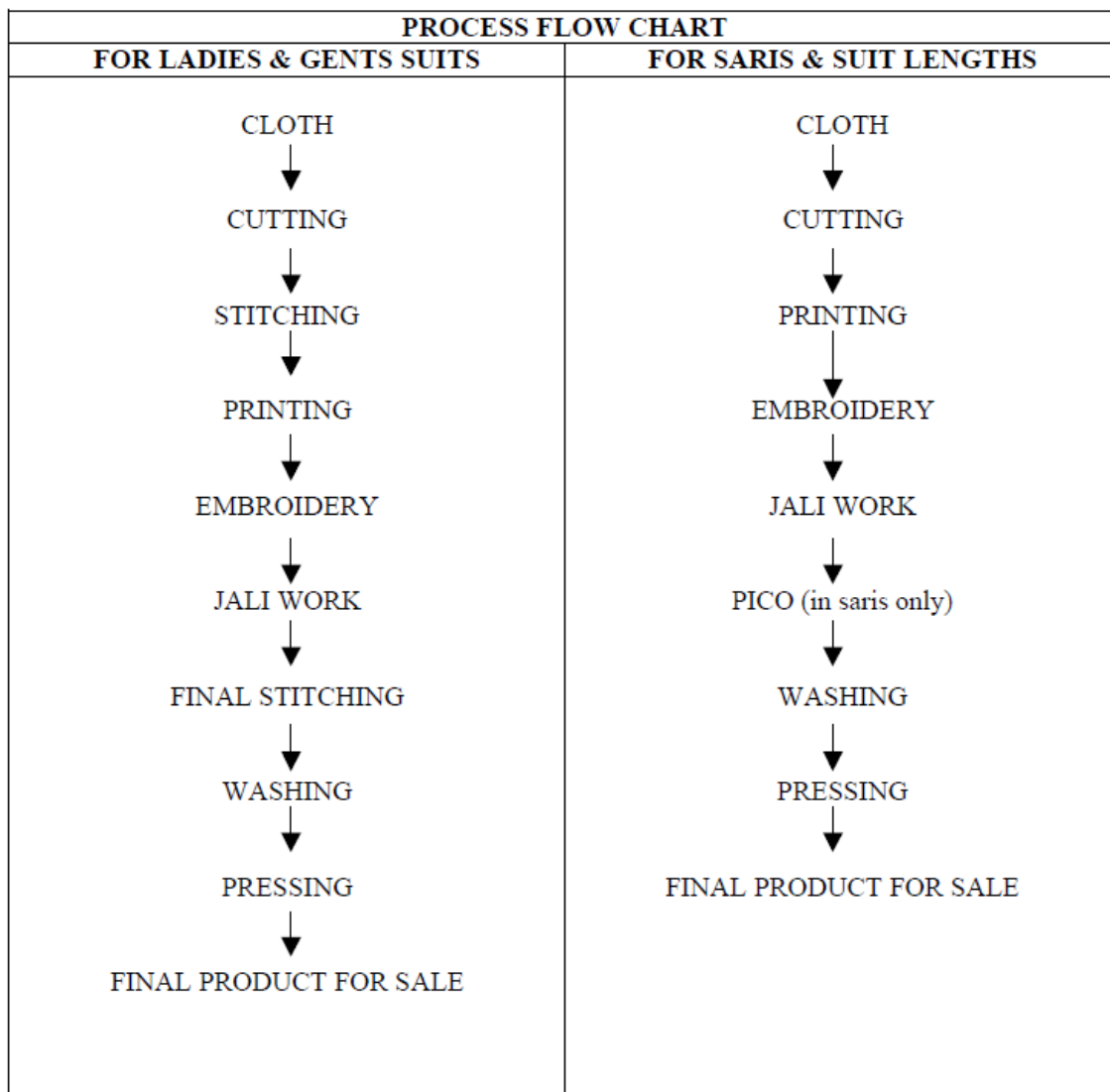
A quick justification study and DPR for interventions to be proposed have been undertaken by NCDPD & O/o. DC (Handicrafts). Based on the Recommendations of the report of Diagnostic-cum-Justification study for the proposed interventions in the Lucknow Mega Cluster, technical-cum-marketing team visited different units, artisans, SHGs, manufacturing units at Block level in different clusters of Lucknow for technical understanding of the proposed interventions and their feasibility. The clusters / crafts includes in the initial phases depending upon the immediate requirements are below:

CHIKANKARI

During the diagnostics study, it was observed that the artisans are engaged mainly in job work. They are dependent on the traders /middleman to a large extent. The middlemen provide raw materials and designs to the artisans and take back the finished products. Artisans are paid either at piece rate or daily wages. It has been observed that the artisans on an average earn only Rs. 100/- to Rs 200/- per day.

WORKING PROCESS

To begin with, pattern of the design to be woven is traced on fabric with the help of blocks. The area to be utilised in fabric is locked in a circular frame and then with help of needle and yarn the design is stitched on fabric.



BASIC TOOLS BEING UTILIZED BY CHIKANKARI ARTISANS

- Multi sized frames
- Needle
- Threads,
- Blocks & Inks

The fabric is worked upon with a long needle, threads, tikris and beads. Multi sized frames are used, usually about 1.5 feet high, to secure the cloth on which the design is sketched

with a stencil. One hand secures the thread under the cloth to the needle while the other hand moves the needle on top of the cloth with ease.

MAJOR BOTTLENECKS / CONSTRAINTS

The diagnostics study identified the following issues/constraints ailing the overall competitiveness of the cluster:

- It was observed that most of the artisans are engaged in job work. It was also observed that the artisans earn only Rs. 50/- to Rs. 80/- per day and in the remote areas the wages are even lower since it more a part time household activity rather than full time.
- The workplaces are not suitable for proper production due to lack of electricity supply, working space, storage capacity for raw material and finished products etc. are the major constraints in clusters.
- No facility for the improved washing techniques and ironing including the chemicals used for the washing and dyeing. There is a requirement of a proper effluent treatment plant.
- Stitching of garments is an important step in the value chain. However, there is a lack of quality machines/Common Facility Centre so that export quality products can be produced.
- Common facilities such as dyeing are absence in certain pockets of the cluster
- Block is an important element in Chikankari. However, the block maker artisans use primitive tools mostly and are not exposed to advanced tools available elsewhere in the country.

- Due to improper working conditions, health related issues are also prominent and there is no awareness about the health & safety measures especially the eye which get deteriorated day by day
- The artisans follow old and traditional means of production leading to low productivity and quality.
- There is lack of innovation in the Design & product development since there is no Design Centre or Designers to provide them support.
- Training of the young persons including women is the biggest challenge as due to wage difference most of the young persons do not want to adopt this as a profession.
- Marketing both national as well as international is major constraint since Chikankari is not sold as Brand.

1.4 PROPOSED INTERVENTIONS

In order to address the identified constraints there is an urgent need to set up small and captive **Common Facility Centres** at different block levels where there is a production clusters and can be used by the artisans, master craft persons, SHGs, NGOs or other beneficiaries. These CFCs, shall be set up with the technical expertise of SPV and as per the specified terms and conditions. The proposed CFCs shall have following facilities:

i) **IMPROVEMENT IN THE WORKPLACE**

Objective: The intervention is expected to meet twin objectives of

- Improving the workspace
- Provide avenue for higher value addition

As mentioned earlier, the existing workspace is not conducive for such artisanal work and is devoid of infrastructure such as availability of

adequate power, lighting, space, etc. This is resulting in low productivity and health concerns.

Also, as mentioned the artisans are engaged in job work and their work is being taken out of the cluster as semi-processed product while the final product is being stitched outside the cluster. Thus only a fraction of the total value is being realized in the cluster. In order to improve the overall value realization in the cluster it is proposed to initiate stitching operations in the cluster as a common facility.

Under this it is proposed to illuminate the working place for better working conditions as the existing practices leading to various diseases such as complete blindness to the Chikankari workers etc.

ii) **MACHINES FOR STITCHING, CUTTING, INTERLOCKING FOR IMPROVEMENT OF THE QUALITY**

Sewing machine: It is used to stitch pieces of fabric. An automatic way of stitching instead of needles manually and hence provides a finished product.

Interlock machines: A special set of stitching machine to impart precision in finishing of products.

Fabric Cutting machines: Fabric Cutting machines can enable to cut a set of pieces of cloth at a time. This reduces the time utilized in cutting and hence speed up the production.

The brochures of above high quality machines are also attached for reference at [Annexure I](#).

1.5 MAJOR IDENTIFIED BLOCKS FOR INTERVENTION

1.5.1 Brahmanagar, Sitapur Road, Lucknow

1.5.2 Govind Nagar, Manak Nagar, Lucknow

1.5.3 Dhobhi Ghat, Billojpora, Nandan Mahal Road , Lucknow

1.6 MECHANISMS FOR SETTING UP OF CFCs

- The CFCs shall be set up with the technical experts of SPV where the procurement of the necessary Tools, Equipments & Machines shall be undertaken by SPV and erected and installed in the designated CFCs.
- The inventories made by SPV including plant, machinery, tools and equipments shall solely be the property of the SPV.
- The SPV shall assist in the trial production with the relevant technical experts however, the commercial production and its running and management including maintenance shall be undertaken by the agency/organization who shall be awarded the CFCs.
- Primarily the services of CFCs shall be utilized by the Members of SHGs/beneficiary group however, the services can also be rendered to others on nominal charges who shall be decided in consultation with SPV. The CFC service charges shall also be notified among the beneficiary group.
- An MOU shall also be signed between SPV and CFC.
- In case the proposals are not found feasible or lack of sound proposals, SPV shall initiate the setting of CFCs at the rented premises as pilot projects for the usage of beneficiaries.

2. ELIGIBILITY CRITERIA

Following agencies shall be eligible for setting up of the CFCs :-

- State Corporation/Govt. Deptt./ Central/State Agency or Any legal entity such as a society, SHG, NGO with a cash balance of atleast Rs.5.0 lakh during previous four quarters.

- Minimum three years of establishment and operations
- Minimum 15 artisans being member in the entity who should be partners or equity holders and should not be workers.
- Should be in working condition
- Should have working premises of its own or leased (for atleast minimum 3 years)
- Should be ready to incur the recurring cost for running and management of the facilities
- Ready to sign the MOU with SPV for the running and management of facilities
- Should submit balance sheet of last 3 years as certified by CA

The offers should produce documentary proof of the above qualifications.

3. EVALUATION CRITERIA / MODE OF SELECTION

- A Committee will evaluate the proposal in the context of the requirement laid down in EOI documents, based upon which shortlisting shall be done.
- PMAC reserves the right to reject the proposal/s not conforming to the documentary requirement specified in the EOI document or whatsoever.
- The profile & track record of the applicant, turnover, credentials including past similar assignments etc. shall be used as a means of evaluating the capability and capacity of each applicant to execute the job in a safe, successful and timely manner.

The evaluation of Technical Papers will be done on the following parameters subject to minimum qualification:

SI.No	Criteria		Max. Points/ Weightage
1.	PAST EXPERIENCE OF THE AGENCY		60
A.	Number of years experience 3 years	Max. 5 points	

	3 years and above	Max.25 Points	
B.	Previous experience of running Facility having plant, Machinery & equipment/ workshop for production	Max. 30 Points	
2.	EXPERIENCE OF KEY PERSONNEL		25
A.	Requisite qualifications - Max. 10 points		
B.	Relevant experience - Max. 15 points		
3.	FINANCIAL STRENGTH OF THE COMPANY		15
A	Turnover figure for last three years - Max.5		
B	Net Profit Figure for last three years – Max.3		
Total			100

4. GUIDELINES FOR SUBMISSION OF EOI

- i) **Cover-A** : Sealed and super scribed envelop which should have detailed contact details of applicant viz. full name, postal address, fax, email, telephone.
- ii) **Cover-B** : Sealed and super scribed envelop with "Technical Papers" which includes all the documents mentioned in the "Selection Criteria and Evaluation Process" as follows:
 - Formats for submission of EOI as per attached with the EOI document.
 - Agency's Profile in brief with details of staff / key personnel and 3 year experience in similar job with the documentary evidence.
 - Copies of the audited Balance Sheet for the last three years should be enclosed, duly signed by the Chartered Accountant along with attested copies of Income Tax returns filed in last three years.
 - PAN No., Service Tax No., ITR, EPF Statements, ESI Details, VAT (If applicable).

- Copies of the land papers/ownership certificate of the land/lease agreement.
- iii) **Cover C** : Containing **Cover A & Cover B** Mentioning "Technical Quotes for collection of artisan data and Baseline Survey & Diagnostic Study for Mega Clusters" which should have full name, postal address, fax, email, telephone number of the applicant.

SUBMISSION OF EOI

The EOI should be addressed to The Director, Handicrafts Mega Cluster Mission (HMCM), 43, Okhla Industrial Estate, Phase-III (Behind Modi Mill), New Delhi – 110020.
The EOI to be submitted to the above address. .
