**Terms of Reference for selection of Common Facility Center Operator**

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1. **Background**

The Department of Industry (DoI), Ministry of Industry, Commerce and Employment under the Startup and CSI Development Flagship Program have planned various infrastructure development for Startups and CSIs. One such facility is establishing the Common Facility Center (CFC). Currently, the startups and Cottage and Small Industries in production & manufacturing are severely constrained by inadequate capital and are not in a position to invest in all required machinery and equipment to start their business. This challenge prevents them from enhancing production capacity and upgrading their manufacturing base, thus impeding growth and development.

Therefore, the department would be establishing the CFC to support in providing technical facilities for startups and CSIs at a minimal cost. The CFC will provide pre-production and post-production common facilities such as sorting and grading, grinding, dehydrating, sealing, product packaging labeling machines, etc.

The establishment of CFC is envisaged to directly reduce the burden of initial investment and operational costs to startups and CSIs. Further, the services of CFC are expected to improve product quality and upscale production and also to encourage and inculcate entrepreneurship among the youth.

The CFC will be the property of the department but day-to-day management and operation aspects will be outsourced to a private individual/group/youth group.

1. **Objectives**

The overall objective of establishing CFC is:

* To enable startups and CSIs to optimize their limited financial resources and enhance operational efficiency;
* To support the growth and sustainability of CSIs through the provision of an array of technical facilities;
* To enable the CFC service users to improve product quality and minimize the cost of production;

1. **Eligibility Criteria of the CFC Operator**

The operation of the CFC shall be leased out to an individual or a group who possess the following minimum qualification requirements:

* At least have a minimum qualification of class XII;
* The preference shall be given to those with technical background certified by the technical institute, and
* Youth groups or groups with technical skills and experience shall be given preference over the individual operators.

**4. Selection of CFC Operator**

The Operator shall be shortlisted based on qualifications, skills, work experience, and interest among others. The shortlisted individuals/groups shall be required to pitch their idea on the subject matter for a maximum of 30 minutes.

**5. Required documents for shortlisting**

The following documents are required for the purpose of shortlisting

* Forwarding Letter
* Educational transcripts
* Any documents related to work experience and skills
* Proposal on CFC (operational modality) and work plan
* Any other documents to demonstrate the individual/group capability

**6. Obligations of the Operator (after selection)**

**The CFC Operator shall:**

* Work closely with the Department in the development of the final operational and management modality of the CFC. The operational modality shall include - (CFC usage, fee structure, sustainability, facilities/services and maintenance costs among others)
* Execute a Contract Agreement with the Department. The detailed Terms and Conditions of the Contract Agreement shall be prepared and signed before executing the work
* Manage and operate the CFC facilities in a sustainable manner
* Provide detailed work/execution plan to the department

**7. Support from the Executing Agency**

**The Department shall:**

* Procure and set up major equipment/machinery/tools for the CFC bear the cost of installation and commissioning of CFC equipment and machinery.
* Provide user training (during setup only) to the CFC Operator through NPHC or other qualified trainers/institutes.
* Provide spaces free of charge to the operator.

**8. Location of the CFC**

The location of the CFC is at i) Changzamtog, Thimphu, ii) CSI Estate, Tsirang, and iii) Startup Center, Dhamdum, Tsirang.

**9. Duration of the Service**

The operator shall be appointed initially for a period of 5 years and renewable based on performance

**10. Financing for management and operation of CFC**

* The Department does not finance the operator to manage and operate the CFC.
* All expenses incurred during the development of the CFC modality shall be borne by the operator.
* All HR costs (salary and related costs) shall be met from the income generated through the service provided (the modality must include a financial plan). The fee structure shall be determined in consultation with the department.
* Major maintenance costs of equipment/machinery shall be carried out by the Department.

**11. Implementation schedule**

* The CFC should be operationalized within June 2023.

**12. Contact details**

For any clarification, please contact in the following address

CSI Promotion Division

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