**EOI REFRENCE**

**(Operation of Organic Sales Outlet, Paro)**

1. **Background of DAMC:**

The Department of Agricultural Marketing & Co-operatives (DAMC) is the apex and nodal marketing arm department of the Ministry- Ministry of Agriculture & Livestock (MOAL). The Department is in charge of supporting and promoting, as it’s name implies, the marketing of agricultural produce and the growth of the cooperative industry. The department was founded in October 2009 and as of date has three functional divisions with its regional offices based in Gelephu, Monger and P/Ling.

1. **Background of Organic Sales Outlet (OSO)**

The Organic Sales Outlet (OSO), Paro is being established as a national Level facility with traditional architectural design and associated elements. The OSO is established to cater to serve at national level as a major outlet for sale of produces and products of registered Organic Growers across the country.

Considering its prime location and it’s proximity to airport the Outlet is established to capture the Tourist and high end consumers opting for natural and organic produces or products. This Outlet is expected to serve as a point of education, exhibition, promotion, sales and trade linkage with domestic and international consumers bringing the unique traditional and modern organic produces and products from all the twenty Dzongkhags to the market.

The OSO is structured to consist of three sections - the sections for Information and Display gallery, Product Sale and the Café Lounge.

The establishment of Outlet which has started since last July is scheduled to be completed by the end of Septmber this year- 2023.

The operator is expected to have a good understanding of the type of organic produces or products that are available within the country and is presumed to have good linkages with both organic growers/sellers and consumers across the country. The facility will be dedicated to market produces and products that are from registered organic growers only.

**Vision**:

To become the State of Art Organic Center and One Stop Outlet for all Organic Produces and Products

**Mission:**

• To provide easy market access for Organic Produces and Products

• To provide a platform and support for continuous product development and growth of organic produces

• To enhance the sales of organic produces and products by linking to potential markets.

• To connect various organic farmers and businesses through partner linkages.

• To search for markets outside Bhutan for export of organic produces and products.

1. **Product to be sold through OSO:** 
   1. **Product Types**:

In order to live by up to the name of the establishment, all produces and products that fulfil the following criteria are welcome to be sold through the Outlet.

1. Is produced and grown in Bhutan through natural/organic (free of chemical and pesticide) practices.
2. Is verified as organic in nature and meets the Bhutan Organic Standard (BOS) according to the Bhutan Organic Guarantee System (BOGS) through LOAS, or by third party certification
3. Is non adulterated and traceable to source

Note: Subject to further revision, addition and edition the tentative list of products to be sold through the OSO in general is as annexed- Annexure 1

* 1. **Product Criteria for Selection**:

The general criteria for produces or product selection are as prescribed below;

1. Is a product or produces certified as one from registered organic growers

ii. Is well packaged and has appealing presentation outlook

1. Fulfills safety requirements for consumption (if applicable)

Incase the produces or products are not approved during a submission, the entrepreneur/business are allowed to resubmit the product by incorporating the required changes desired by the Phyto Sanitary Certificate (PSC).

Further, the approval by PSC does not guarantee full time sales through the OSO Market??.

1. The Operator will periodically review the products and submit the records of salability of the particular product to the PSC who may then depending upon the marketing strategy of the OSO recommend for the product to be removed from the Outlet so that the overall quality of the products is maintained*.*
   1. **Operator Criteria**

It is envisaged that the OSO itself will function as an institution for product improvement and will require that the Operator improve their produces and products to be sold through the Outlet.

Not limited to,the preferred operator criteria are as following;

i Highly innovative and adaptive to evolving market preferences aspiring to compete with the best in the world.

ii Actively engaged in developments of produces or products and willing to work with department/ministry.

iii Commit to attend the training programs required that may be organized or recommended by the department/ministry

iv Commit to respect the organic brand integrity and market only organic produces

v Ensure a pricing policy that is fair, ethical and acceptable to both its suppliers and consumers

1. **Operation Modality of OSO**

The OSO will be operated by a Private Party to be contracted by DAMC through open competition.

A group of officials from DAMC/Ministry along with Dzongkhag Administration, Paro will manage the operation and management of the OSO.

DAMC will be the Nodal Agency to oversee the operation of this establishment and will ensure that regulatory compliance is met at all times.

The terms of references and principles for operation of the Outlet shall be as following:

* 1. The OSO will operate on the basis of non-exclusivity arrangement and on basis of strict adherence to enshrined rules and regulations on sale of products and produces from registered Organic Growers as per MoU
  2. Adoption of strict criteria for selection of product sellers and suppliers, Fair

pricing and payment policy , Regular inventory and data reporting

* 1. DAMC shall be responsible for the product approval, however, the contract supply agreements will be between the Operator and the Seller Suppliers for the OSO be it Individual Farmers/FGs/COOPS or individual entrepreneur/business.
  2. The individual contracts will spell out details of the sale arrangement including pricing policy, quality and quantity assurance among others and renewal terms and conditions. The same shall be affirmed through signing of MoU with DAMC
  3. The Operator shall maintain regular inventory and data reporting
  4. The OSO will be leased out to an operator who proves his/ her interest, capability and business preparedness to run a successful, profitable and meaningful business with commitment to service the growing organic sector of the country. The lease shall be based on existing government approved norms and in line with weighted measures.
  5. The Outlet shall be operated by a Private Party to be contracted out by DAMC through open competition for the best concept and business plan as per the terms and conditions.
  6. 3.8 The selected business operator will manage the operation and management of the Organic Sales Outlet as a whole under the agreed terms and conditions
  7. The selected Operator shall sign MoU with DAMC prior to operation of the Outlet.
  8. The operator shall be actively engaged in promotion and advocacy of the organic sector in the country using the education and exhibition area and use it as a platform to grow business for the Bhutanese stakeholders.

1. **SOP for Selling through OSO Outlet:**
   1. The Operator on his own or with assistance of DAMC, Ministry shall get connected with source and suppliers of registered organic growers.
   2. The Operator and Seller/Suppliers of Organic Products and Produces shall set terms and conditions of supply and purchases preferably through signing of MoU.
   3. DAMC shall facilitate linking and signing of MoU if necessary and oversee supply purchase between the operator and seller/suppliers
   4. The Operator shall laisse with DAMC and predetermine the approved list of products and produces to be sold through the Outlet.
   5. The Operator shall procure/purchase the products/ produces from the suppliers as and when necessary and sell through the outlet.
   6. The Operator shall inform and seek endorsement/approval of DAMC for any new products and produces to be introduced and sold through the outlet.
   7. The Operator in line with fair price policy and based on agreeable profit margin gap shall fix the price for sales and inform DAMC periodically
   8. DAMC shall monitor and oversee the Outlet Sales on periodical basis and assist the Operator whenever necessary
   9. The Operator shall maintain necessary stock, records, data and proceeds and report to DAMC on periodical basis based on MoU that may be signed between DAMC.
   10. Time frame of lease: Subject to revision and extension the OSO shall be leased to the Operator for an initial period of three years following which it shall be renewed and extended based on assessment of the lease by the Ministry