भारत सरकार **GOVERNMENT OF INDIA**
रेल मंत्रालय **MINISTRY OF RAILWAYS**
(रेलवे बोर्ड **RAILWAY BOARD**)

2022/TC(FM)/10/04 **New Delhi, dated 11.4.2022**

The General Managers

Central Railway, CSMT, Mumbai
Eastern Railway, Fairlie Place, Kolkata,
Northern Railway, Baroda House, New Delhi
North Eastern Railway, Gorakhpur
Western Railway, Churchgate, Mumbai
Southern Railway, Chennai,
South Central Railway, Secundrabad
South Eastern Railway, Garden Reach, Kolkata
South Western Railway, Hubballi

A committee was constituted in Board to recommend policies and conditions for e-Auction of commercial earning and NFR contracts. The Report submitted by the Committee has been accepted by Board. It has been decided to launch a pilot project on the basis of recommendations in the said Report. Detailed policy guidelines for e-Auction of commercial earning and NFR contracts will be prepared and issued subsequently on the basis of feedback and experience gained in the pilot project. Accordingly, the following 11 Divisions have been identified for carrying out the pilot project phase.

1. CR - Mumbai 2. ER - Asansol 3. NR - Delhi 4. NR- Lucknow 5. NER - Lucknow 6. NER - Varanasi	7. SR - Chennai 8. SCR - Secunderabad 9. SER - Chakradharpur 10. SWR - Bengaluru 11. WR - Ahmedabad

2. The policy modifications to facilitate e-Auction of Commercial Earning and NFR contracts, and the Standard Conditions of such contracts awarded through e-Auction, as recommended by the Committee, are enclosed herewith. <u>These will be valid only on contracts awarded through e-Auction during the Pilot Project on the above mentioned 11 Divisions.</u>

11/4/2022
(Mudit Chandra)
ED/Freight Marketing

Copy to:
PCCMs; CR, ER, NR, NER, SR, SCR, SER, SWR & WR

DRMs and Sr DCMs:- Mumbai/CR, Asansol, Delhi, Lucknow/NR, Lucknow/NER, Varanasi/NER, Chennai, Secundrabad, Chakradharpur, Bengaluru, Ahmedabad

DA: As above

Annexure 'B'

Proposed policy modifications to facilitate e-Auction of Commercial Earning and Non Fare Revenue (NFR) contracts

1. Eligibility:

1.1 The minimum annual financial turnover, in 'anyone' of the just preceding three financial years, of the entity, for participation in the e-Auction, shall be as below:

Estimated Annual Value of Contract (Rs)*	*Minimum Annual Financial Turnover#*
Up to 20 lacs	Nil
Above 20 lacs and up to 50 lacs	Rs. 20 lacs
Above 50 lacs and up to 1 cr	Rs. 50 lacs
Above 1 cr and up to 5 cr	Rs. 1 Cr.
Above 5 cr	Rs. 2 Cr.

* For contracts of duration <1 year, total value of contract shall be considered

During 'anyone' of the three preceding Financial Years

1.2 The entity shall be required to upload the Audited Balance Sheets and P&L Account Statements of the last three Financial Years in their profile in IREPS before start of bidding in the auction in which they want to participate. Railways shall verify the Audited Balance Sheet and P&L Account Statement uploaded in the profile in IREPS of the successful contractors anytime after acceptance of the bid or during the currency of contract, and if the information about the Financial Eligibility is found to be false/ misleading, or the documents uploaded by the firm are found to be false, then the allotment of lot shall be cancelled or, if the contract has been issued, the same shall be terminated forfeiting the EMD/ Security Deposit without any further notice.

1.3 If the Audited Balance Sheet and/or P&L Account Statement of all of the three preceding Financial Year(s) are not available, then the documents of the years (out of the three preceding years) for which the same are available shall be uploaded and the same will be taken into consideration for judging the eligibility of the bidder.

2. Registration of bidders:

2.1 Prospective bidders will be required to get themselves registered in IREPS (Commercial Auction module) online. Entities already having IREPS account for other modules (Commercial Tendering module, etc) will also be able to enroll themselves for Commercial Auction module themselves. The registration will be valid for all Zones and PUs of Indian Railways, and there will not be any need for separate registration for each Zone/ Division/ PU.

2.2 One time Registration Fees of Rs.10,000+GST (as applicable) only (*non-refundable*) will be required to be paid online by the entity before participating in any commercial auction.

2.3 The entity after registration in IREPS and payment of the one-time Registration Fee will be free to participate in any e-Auction for Commercial Earning/ NFR contracts of any Zone or Division of any category or sub category of any assets.

2.4 However, in cases of gross irregularities, unethical/ illegal practices, violation of Railway Act 1989, any act of moral turpitude, or actions against Good Industry Practices, Railways may cancel the registration of an entity and ban it from participation in e-Auction for Commercial Earning/ NFR contracts. Such cancellation of registration and banning shall be done only as per the provisions stipulated in this Policy.

3. Identification of assets and Preparation of lots:

3.1 Divisions shall identify the assets (such as parcel space in SLRs or Parcel Vans attached to trains, parking lots, pay-&-use toilets, space for commercial publicity, etc) for commercial exploitation through Commercial Earning or NFR contracts. Thereafter the duration of contract for commercial exploitation of the asset(s) shall be decided (as per the applicable policy guidelines) and lot(s) for e-Auction shall be prepared.

3.2 Division may also club more than one asset (of the same type) in a single lot, if it is felt that such clubbing will increase the commercial value of the lot.
Identification of assets and preparation of lots shall require the approval of SrDCM/ DCM-holding-independent-charge.

4. Publishing 'Auction Catalogue' and Invitation of bids:

4.1 An officer not below the rank of Junior Administrative Grade, or Senior Scale holding independent charge, shall act as Auction Conducting Officer (ACO) for the e-Auction.

4.2 The ACO shall prepare Auction Catalogue by including lots which are to offered for e-Auction simultaneously. Only same types of lots shall be included in one auction catalogue (for example, an auction catalogue may either consist of lots of parcel space for leasing, or parking lots, or spaces for commercial publicity, but not a combination of these). Special Conditions of Contract, if any, shall also be included in the Auction Catalogue.

4.3 Auction catalogues shall be published minimum 12 days before the start of the auction. Combined monthly Auction Notice, indicating date of auctions and Divisions/ units shall also be published in national newspapers.

5. Mode of bidding

5.1 Mode of bidding will be close ended (forward) e-Auction through IREPS. Thirty minutes of cooling off period will be provided after start of auction and no lot will close for bidding during the initial cooling off period. After the initial cooling off period, the lots included in the auction catalogue will be scheduled to close one by one. The scheduled interval between closures of two lots will initially be kept as 10 minutes subject to auto extensions.

5.2 If any bid is received in last 2 minutes of bid closing time (auto extension zone) for any lot, the auction closing time for the lot will be auto extended for 2 minutes (auto extension period). A maximum of 10 auto extensions will be permitted.

6. Unit rate for the purpose of taking bids shall be as below:

i) Leasing of parcel space in SLR – per trip lump-sum freight, one-way

ii) Leasing of parcel space in Parcel Van – per round trip lump-sum freight, two-way

iii) Parking contracts; Commercial Publicity (out-of-home advertising and mobile advertising) contracts – Annual rent/ license fees (*Note:* for contracts of less than 1 year duration, 'total' rent/ license fees shall be the bid parameter)

7. Duration of contract:

7.1 The duration for Commercial Earning/ NFR contracts shall be as per various guidelines issued by Railway Board on the matter. However, for contracts in which Railway Board has not issued any guidelines, or in which it has been left to the discretion of concerned Railway/ Division, the duration of contract may be fixed as per the following guidelines:

i) Contracts for leasing of parcel space – 2 years

ii) Contracts for parking – 3 years

iii) Contracts for commercial publicity – 3 years

iv) High Investment contracts (e.g. parking lots with access control and CCTV, high investment advertising contracts as decided by Division, etc) – 5 years

v) Contracts involving seasonal/ short-duration trains (e.g. festival special trains, holiday special trains, etc) – duration of operation of the concerned train

7.2 Initially effort should be made to enter into contract for full period as prescribed in the Policy. However, if the auction for full period fails (on account of no bid or very low bids), the concerned Division may also explore seasonal contract (for minimum three months duration).

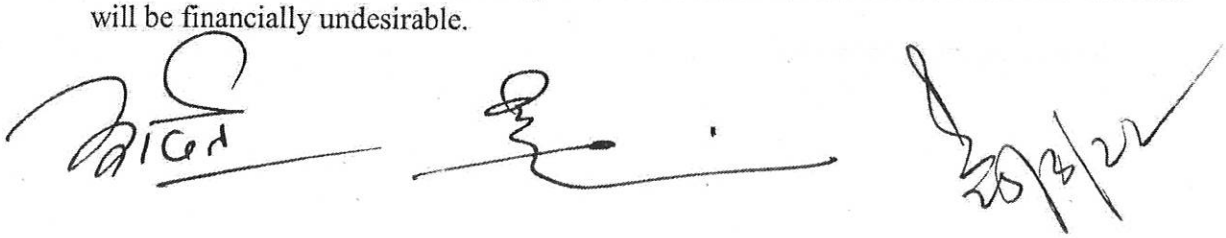
7.3 After finalizing seasonal leasing contract (as per para 5.2 above), efforts shall be made for auction for longer durations, so that the asset idle time may be reduced.

8. Extension of contract:

8.1 Normally, extension of contracts awarded through e-Auction shall not be permitted. However, in case of expiry of a contract before the finalization of new contract for any asset (due to administrative delays), or in cases where different contracts (with different dates for closure) for leasing of parcel space have been awarded in a single train, temporary extension(s) can be granted with the approval of DRM. The total duration of such extension(s) shall not exceed 3 months, and efforts should be made to ensure that the next contract is finalized before the expiry of such extension(s).

9. Reserve Price:

9.1 Reserve Price (RP) is the minimum price, below which the award of contract for the asset will be financially undesirable.



9.2 Reserve Price (RP) shall be fixed by the Auction Conducting Officer (ACO). RP will be kept strictly confidential, and will not be declared/ disclosed to anybody before the auction is closed.

9.3 There will be no requirement of Finance Vetting of the RP. The following principles shall be adopted for fixing the RP:

9.3.1 *For Leasing of Parcel Space in SLRs:* RP shall be fixed by the ACO based on applicable normal tariff rates as per category of train/ service (S-scale, P-scale, R-scale, or R+25%), duly considering the lump-sum leased freight rates for running/ successfully completed leasing contracts in the same train and rates received in previous auctions/ tenders for the same/ similar SLRs in same train.

9.3.2 *For Leasing of Parcel Space in Parcel Vans:* RP shall be fixed by the ACO based on 1.5 times the normal tariff in one direction for Parcel Van as per applicable normal tariff rates as per category of train/ service (P-scale, R-scale, or R+25%), duly considering the lump-sum leased freight rate for running/ successfully completed leasing contracts for Parcel Van(s) in the same train and rates received in previous auctions/ tenders for the same/ similar Parcel Vans in same train.

9.3.3 *For Parking lots:* RP shall be fixed by the ACO based on survey of footfall of vehicles to be parked, parking charges to be levied on the vehicles parked, rent/ license fees for similar category of parking contracts nearby, location and approach of the parking lot, any other inputs available with the ACO which might affect the rent/ license fees, rates received in previous auctions/ tenders for the same/ similar space, etc.

9.3.4 *For Commercial Publicity:* RP shall be fixed by the ACO based on rent/ license fees of similar category advertising contracts nearby, rates of the Municipality/ Municipal Corporation where the station is situated, location and visibility of the advertising space, rates received in previous auctions/ tenders for the same/ similar space, etc.

9.4 The ultimate purpose of 'maximizing the Railway revenues' and 'avoiding any idling of assets' should be kept in mind while fixing the RP. If the e-Auction for any lot fails due to no response, or bids lower than the RP, the ACO may revise the RP for the subsequent auction – duly taking into account the quantum of bids received in the past auction(s) and other relevant information affecting the bid price.

10. Earnest Money Deposit (EMD):

10.1 5% of the annual bid value (for contracts of validity one year or more), or 5 % of the full contract value (for contracts of validity less than one year), to be deposited online during the auction. EMD of the successful bidder will be retained by Railways as Security Deposit. EMD for all other bidders will be released by the system immediately.

11. Security Deposit (SD):

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11.1 Amount equivalent to 5% of annual contractual value as per accepted rates (for contracts of validity one year or more), or 5 % of full contract value for contracts of validity less than one year.

11.2 *Mode of Deposit* – SD shall be deposited online (in IREPS). EMD of the successful bidder will be kept by Railways as Security Deposit.

12. Escalation of lump sum leased amount:

12.1 There shall be no escalation in lump-sum leased freight rate during the contract period for contracts up to 3 years validity. For contracts of above period more than 3 years, 10% compounded annual escalation of lump-sum freight/ rent/ license fees shall be applicable.

13. Invitation of bids:

13.1 Bidding for Commercial Earning and NFR contracts shall be through e-Auction. Auction Catalogues for the lots/ assets shall be published minimum 12 days before start of the auction. Combined monthly auction notice, indicating date of actions and Divisions/ Units should be published in national as well as local newspapers.

13.2 For parking and commercial publicity contracts, bids will be received for the annual rent/ license fees, or the full rent/ license fees value (if contract period is less than one year), for full lot offered for auction.

13.3 For the contracts for leasing of parcel space, the bidders will have the choice to bid for all the days, or for some select days of the week (out of the days for which the train operates). However, highest bidder will be determined based on the total lump-sum freight being offered by the bidders.

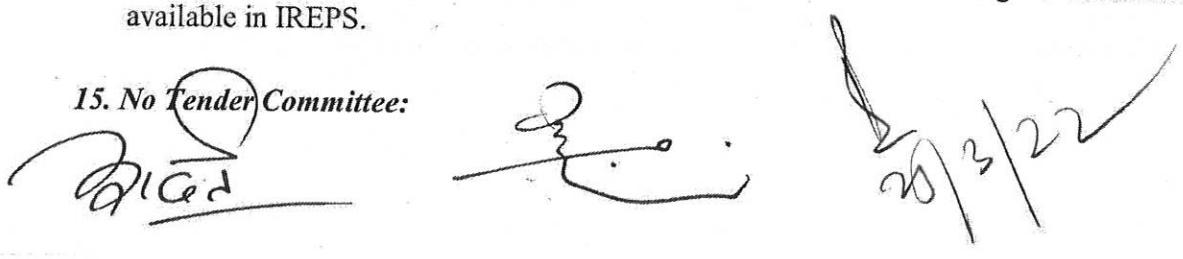
13.4 Bid Sheet, containing complete details of the lot, highest accepted bid, details of the bidder, etc, will be generated online and will be signed digitally after closure of the auction. Signed Bid Sheet will be delivered online to the successful highest bidders whose bid has been accepted.

13.5 Contracts will have to be signed digitally, by both the Auction Conducting Officer and the bidder, within 72 hours of closure of the auction. If the bidder fails to sign the Contract within 72 hours of receipt of the same, the Auction Conducting Officer may at his discretion cancel the allotment of the lot to the bidder and forfeit the Earnest Money deposited by the bidder against the lot.

14. Formalities to be completed by bidders:

14.1 The prospective bidders will be required to get themselves registered online in Commercial Auction module in IREPS. The bidders will have to open a bank account in State Bank of India (SBI) for online lien marking of EMD during e-Auction. The bidder will have to link his bank account with his IREPS account through a functionality available in IREPS.

15. No Tender Committee:



15.1 There will be no Tender Committee for finalizing the contract in case of bidding through e-Auction. Auctions will be conducted by an officer (who shall be called Auction Conducting Officer) of Commercial department not below the rank of JAG (or Senior Scale holding independent charge).

16. Manual auction shall not be permitted under any circumstances.

17. Method of determining highest bid:

17.1 The highest bid will be determined by the system on the basis of total revenue offered by the bidder during the contract period.

17.2 In case of leasing of Parcel space in SLRs, the bidder will be allowed to choose the week-day(s) for which it intends to submit its bid, among the total available week-days included in the auction lot. The total bid value of a bidder will be decided on the basis of the quoted rate per trip and the total trips for the contract duration for selected weekdays. The highest bid will be decided by comparing the total bid value for all the bidders irrespective of the weekdays selected by different bidders. If the highest bidder offers bid for day(s) lesser than total days for which the Parcel space has been offered for auction, then the remaining week-day(s) (which remain un-awarded) may be put up for auction again.

17.3 For Parcel Vans, the leasing will be done on return trip basis. The bidder will be allowed to choose the week-day(s) for onward journey for which it intends to submit its bid, and the corresponding weekday(s) for the return journey will be selected automatically.

17.4 If the highest bidder (based on total bid value for the contract period) offers bids for less than the actual available days of operation for the concerned train, a separate auction should be conducted for the idle days after finalization of first contract.

18. Bids will be auto accepted (Auto decision). Contract will be awarded to the highest bidder if its bid rate is above or equal to the reserve price. Contracts will be generated online and will be signed digitally (e-Contracts).

19. Payment of lump-sum freight/ rent/ license fees by the contractor:

19.1 Lump-sum freight/ rent/ license fees shall be paid online through IREPS by the contractor. Amount and time period allowed for depositing the lease amount by the contractor will be as below:

Type of contract	*Amount to be deposited*	*Time for depositing*	*Grace period with penalty**
Leasing of parcel space	Daily (per trip-day)	At least one day prior to the day of start of train	Maximum 7 days[#]
Parking		First installment within 15	

Commercial publicity	Quarterly	days of issue of Contract; Subsequent installments 15 days prior to the start of the quarter	Maximum 7 days

* with a penalty of 0.5% per day, on the outstanding amount

If the contractor fails to pay the lump-sum freight for 03 continuous days, he will not be permitted to load in the parcel space (till all the pending dues are cleared), and Railway shall have the right to utilize the parcel space as per its own requirement. The contractor shall, however, be required to deposit the lump-sum freight for all the days, even if the space had been used fully or partially by the Railway on some of the days.

20. Issuance of payment receipt certificate:

20.1 Parcel Way Bill will not be issued in case of leased parcel traffic. Digital payment receipt certificate, verifiable on IREPS, will be generated for the money paid by the contractor as advance lump-sum freight, and the same shall be visible on Parcel Management System (PMS) also for the perusal of station staff.

21. Operational clearances/ NOC for leasing out of Parcel Vans, on round trip basis:

21.1 In all cases of leasing of parcel space of the Parcel Van (VP), the Zonal Railway who intends to lease out Parcel Vans (either the owning Railway, or the Railway at other end), must obtain consent and operational clearance (NOC) from the Division at the other end before inviting bids, i.e. before the day of auction.

21.2 Operational clearance/ NOC should be issued by the concerned Division (the SrDOM) within one week (07 calendar days) of receipt of such request.

22. Procedure for leasing of Parcel Vans:

22.1 Normally leasing of Parcel Vans should be done on round trip basis by the owning railway of the train.

22.2 However, if the owning Railway/ Division fails to lease out Parcel Van, then the Zonal Railway/ Division at the other end/ destination end may lease out Parcel Vans on round trip basis with the prior consent and obtaining operational clearance (NOC) from the concerned Division of the owning Railway.

22.3 Leasing of Parcel Vans from intermediate station may be done in cases where there is no traffic offering from the originating station, or when adequate room in the train composition permits attaching of extra leased Parcel Vans from an intermediate station. Leasing of Parcel Vans on round trip, with attachment/ detachment at an en-route station can only be permitted with the prior consent and obtaining operational clearance (NOC) from the Divisions at both ends. It must be ensured that the train does not suffer any extra detention on account of attachment/ detachment of Parcel Van at en-route station.

23. For the contracts for leasing of parcel space, names of en-route stations where loading/ unloading of consignments is permitted will be listed in the lot details in Auction Catalogue. In accordance with the Parcel policy, loading will be permitted only at stations

where the stoppage time is more than 5 minutes. Bidders will not be required to feed name of any en-route loading/ unloading station during the bidding. After the award of contract, the contractor will have to advise the names of en-route stations where he wants to do loading/ unloading (subject to the same was permitted as per lot details in Auction Catalogue) to the officer responsible for execution of the contract. The loading stations may change during the duration of the contract based on the changes in stoppage time of trains.

24. Contract Start Date:

24.1 Contract start date for each asset shall be declared in the Auction Catalogue, and shall also be specified in the Contract. Minimum 15 days shall be given for start of the contract from the date of signing of Bid Sheet. The contractor shall be required to start the contract from the contract start date as mentioned in the contract. If for any reason there is abnormal delay in signing the contract, the Contract start date shall be modified in the contract.

25. Forfeiture of Security Deposit:

25.1 If the contractor fails to pay the full due amount, as specified in para 17, even after expiry of grace period with penalty of 0.5% per day on the delayed amount, the contract will be terminated and Earnest Money/ Security Deposit will be forfeited without any further notice.

25.2 For the contracts related to passenger amenities (such as parking contracts), if the contractor fails to start the contract from the contract start date even after paying the due rent/ license fees within the permitted time period, the Auction Conducting Officer may terminate the contract with forfeiture of Security Deposit and the rent/ license fees already paid, in view of the inconvenience to rail-users.

25.3 The concerned ADRM of the Division (for the contracts awarded at Division level) or CCM/FM (for the contracts awarded at Headquarters level) may condone the delays in starting the contract – duly considering the merits of the case. This condonation shall not be for a period more than 15 days.

25.4 However, there shall not be any extension in the lump-sum freight/ rent/ license fees payment period beyond the maximum permissible period (with delay as permitted in para 17).

25.5 'Force majeure clause' shall be applicable both for the payment of lump-sum freight/ rent/ license fees as well as contract start date, both for the contractor as well as for the Railway.

26. Appeal:

26.1 However, in cases when the successful bidder has not been able to start the contract within the specified time (including the delay condoned as per para 23.2 above), or to operate the contract, due to circumstances beyond his control (such as curfew, lock-down, natural calamity, etc.), he may prefer an appeal – within 15 days of normalization of the situation – to allow him to start or operate the contract. On receipt of such appeal,

DRM (for the contracts awarded by the Division) or PCCM (for the contracts awarded by the Headquarters) may grant relaxation in the period for commencing the contract or to re-start the contract, duly considering the merits of the case.

27. Waival of licensing fee for stipulated period for reasons:

27.1 In cases of non-availability of the asset (e.g. non availability of space in SLR or Parcel Van for loading) to be utilized by the contractor, due to unforeseen circumstances or administrative reasons on part of Railways, the lump-sum freight/ rent/ license fees already paid by the contractor will be adjusted for the subsequent period.

27.2 However, in cases of permanent or long term non-availability of the assets the lump-sum freight/ rent/ license fees already paid by the contractor may be refunded.

27.3 Adjustment or refund of the amount already paid shall be done, considering merit of the case, with the approval of DRM (for contracts awarded by the Division) or PCCM (for the contracts awarded by the Headquarters).

27.4 For short term non-availability of the asset, deferment of payment of lump-sum freight/ rent/ license fee for the period of non-availability may also be considered by Railways – on the request by the contractor, in deserving cases – with the approval of DRM/ PCCM.

28. Goods and Services Tax (GST):

28.1 Liability of depositing the GST will lie with the contractor under Reverse Charge Mechanism (RCM) for all Commercial Earning and NFR contracts. However, in case of non-registered firms, forward charge mechanism will be applicable.

28.2 Rate of GST applicable for the lots will be declared by the auctioning conducting unit in the Auction Catalogue, which shall be liable for change as per the statutory provisions. The contractor will be liable to pay the GST (including the GST Cess) as applicable on the date of payment.

29. Other charges (such as electricity charges, water charges, etc): Conditions for the same shall be included by the ACO for such lots while preparing the Auction Catalogue. Such payments, wherever applicable, shall be levied and accepted as per the established practice on the Division/ Zonal Railway.

30. Right to terminate the contract:

30.1 By the contractor – If it is not feasible for the contractor to continue the contract due to fluctuation in the market or any other unforeseen reason, the contractor may terminate the contract by giving a 30 days' notice to the Railway Administration, after 'completion of six months of the contract period.' The complete Security Deposit will be refunded in such cases. This provision shall not be applicable on the contracts of less than six months duration.

30.1.1 In case contractor surrenders his contract before completion of six months, or the complete duration of the contract, whichever is less; his Security Deposit shall be

forfeited. If the contractor does not give the due notice as per para 28.1 above or fails to operate the contract during the notice period, then also the Security Deposit will be forfeited.

30.2 By Railway Administration – Railway shall have the right to terminate the contract/ Agreement for any reason whatsoever after serving 30 days' notice to the lease holder. In case of extereme operational exigency, Railway may terminate the contract/ Agreement with 07 days notice, with the approval of DRM/ PCCM. The complete Security Deposit of the contractor shall be refunded in such cases.

30.3 However, notwithstanding anything contained in para 28.2 above, Railway shall also reserve the right to terminate the contract as a punitive measure without any notice, and at any time, in case of serious violation of the Agreement by the contractor, or an illegal activity, or any action against Good Industry Practices – along with forfeiture of the Security Deposit.

25/3/22

Annexure 'C'

Standard Conditions of Contract for Commercial Earning and Non Fare Revenue (NFR) contracts awarded through e-Auction

Bidding for commercial earning and non-fare revenue (NFR) contracts shall be done through e-Auction (***close-ended forward auction***) on the website of Indian Railways e-Procurement System (IREPS) www.ireps.gov.in. Bidders intending to participate in the e-auction should register themselves and participate in auctions by submitting their bids on www.ireps.gov.in by the bid closing date and time.

Following Standard Conditions of the contract shall be applicable:

1. ***Registration of bidders:*** Prospective bidders will be required to get themselves registered in IREPS (Commercial Auction module) online. Firms already having IREPS account for other modules (Commercial Tendering module, etc.) will be able to enroll themselves for commercial auction module also by editing their account profile. The Registration will be valid for all Zones and PUs of Indian railways, and there will not be any requirement of separate registration for each Zone/ Division.

   One time Registration Fees of Rs 10,000 + GST (as applicable) only (non-refundable) will be required to be paid online by the entity before participating in any commercial auction.

   The entity once registered in IREPS, and after payment of the onetime Registration Fee will be free to participate in any e-Auction for commercial earning and NFR contracts, conducted through commercial auction module of IREPS, of any Zone or Division for any category or sub category of any assets.

   The entity shall be required to upload registered legal document(s) in its profile in IREPS at the time of registration in IREPS/ before participation in auction. Railways shall reserve the right to verify the documents uploaded in IREPS profile of the successful bidders at any time, and if any information provided is found to be false/ misleading, or the documents uploaded by the entity are found to be false, then the Railway may take appropriate punitive action, including but not limited to termination of the awarded/ running contracts along with forfeiture of the Security Deposit, against the entity without any further notice.

2. ***Minimum Eligibility for the Contracts:*** The minimum annual financial turnover required for participation in the e-Auction shall be stipulated in the Auction Catalogue for the lot(s).

   The entity shall be required to upload the Audited Balance Sheets and P&L Account Statements of the last three Financial Years in their profile in IREPS before start of the auction in which they desire to participate. Railways reserve the right to verify the Audited Balance Sheet and P&L Account Statement uploaded in IREPS profile of the

successful bidder(s) at any time during the currency of the contract, and if the information about the annual turnover is found to be false/ misleading or the documents uploaded by the firm are found to be false, then the Railway may take appropriate punitive action, including but not limited to termination of the awarded/ running contracts along with forfeiture of the Security Deposit, against the entity without any further notice. If the Audited Balance Sheet and/or P&L Account Statement of the most recent Financial Year are not available, the documents of two previous years shall be uploaded and the same will be taken into consideration for judging the eligibility criteria in the auction.

3. The intending bidders are advised to study the scope and associated conditions, mentioned in the Auction Catalogue, carefully. Any submission of bids by the bidders shall be deemed to have done after a careful study and examination of Auction Catalogue with full understanding of the implications thereof. All terms and conditions shall be deemed to have been accepted upon submission of bid by any bidder.

   The intending bidders are advised to physically check the locations and site of the assets being leased, by visiting the concerned Railway office during any working hours. Any submission of bids by the bidders in any auction shall be deemed to have done after a careful checking and understanding of locations and sites of the assets to be leased. Representation regarding any difficulty faced by the contractor during execution of the contract or any claim on any account for rebate lump-sum freight/ rent/ license fees shall not be entertained by the Railway Administration.

4. ***Mode of bidding:*** Mode of bidding will be close ended forward e-Auction on IREPS portal. The Auction Catalogue containing all the lots proposed to be auctioned off on a given date & time, and the terms & conditions applicable for the Auction Catalogue shall be published minimum twelve (12) days in advance of the auction start date. The auction will start on the scheduled date and time mentioned in the catalogue. Thirty minutes of cooling off period will be provided after start of auction and no lot included in the auction catalogue shall be closed for bidding during the initial cooling off period. After the end of initial cooling off period, the lots included in the auction catalogue will be closed one by one (as per the pre-decided schedule). The scheduled interval between the closures of two successive lots will initially be as mentioned in the auction catalogue, subject to auto-extensions.

   If any bid is received within the last 2 minutes of bid closing time (auto-extension zone) for any lot, the auction closing time for that specific lot will be auto-extended for 2 minutes (auto-extension period). A maximum of 10 such auto extensions will be permitted for one lot. After the end of 10^{th} auto-extension, the bidding will close irrespective of receipt of bids during the last auto-extension period.

   Minimum Increment for submission of next higher bid value shall be as specified in the Auction Catalogue.

   Unit rate for the purpose of offering and accepting bids shall be as under:

   (a) Contracts for Leasing of Parcel space in SLR – per trip (one way)

   (b) Contracts for Leasing of space in Parcel Van – per round trip (both ways)

(c) Contracts other than leasing of parcel space – Annual License fee (for contracts of validity one year or more), or Full License Fee for the complete duration of contract (for contracts of validity less than one year)

In case of contracts for leasing of parcel space, the bidder will be allowed to choose the week-day(s) for which it intends to submit its bid, among the total available week-days included in the auction lot. The total bid value of a bidder will be decided on the basis of the quoted rate per trip/ per round trip and the total trips in the duration of contract as per the selected weekday(s).The highest bid will be decided by comparing the total bid value for all the bidders irrespective of the weekday(s) selected by different bidders. If the highest bidder offers bid for day(s) lesser than total days for which the Parcel space has been offered for auction, then the remaining week-day(s) — which remain un-awarded — may be again put-up for auction subsequently.

For the space in Parcel Van, leasing will be done on round trip basis. The bidder will be allowed to choose the week-day(s) for onward journey for which it intends to submit its bid, and the corresponding weekday(s) for the return journey will be selected automatically.

5. ***Earnest Money Deposit (EMD):*** Earnest Money of the requisite amount (currently 5% of the annual contract value for contracts of validity one year or more), or 5% of full contract value for contracts of validity less than one year), will be required to be deposited online at the time of bidding. EMD shall be submitted through 'lien-marking' functionality available on IREPS.

i. It shall be mandatory for the contractors to have a bank account (Savings or Current) in State Bank of India (SBI). The Contractor shall have to link his IREPS user account with their SBI account through the online functionality available on IREPS.

ii. Once the IREPS user account and SBI bank account has been linked, the contractor will be able to lien mark any amount available in his SBI account through an online functionality available in IREPS. The process for linking of account as well as lien marking of money is described in the User Manual for Contractors for Commercial Earning Auctions available on IREPS website.

iii. Submission of a bid by a bidder will automatically result in blocking of lien marked amount equivalent to the requisite Earnest Money for the lot. When another bidder submits a higher bid against the same lot, the lien marked amount of the new bidder will automatically get blocked, and the blocked amount of the previous highest bidder will be automatically unblocked.

iv. A bidder can submit any number of bids against one or more lots against any auction, as long as the total blocked amount taken together, against all the lots for which he is the highest bidder at a given time, is within the total amount lien marked by the bidder. The bidder will be allowed to lien mark additional amount at any point of time before or during auctions.

v. If the highest bid against a lot is accepted, the amount blocked against the lot will

automatically be transferred from the highest bidder's bank account to Railways' account, and the balance available in the lien amount will get reduced accordingly. If, however, the highest bid is rejected, the blocked amount of the highest bidder will be unblocked automatically.

vi. A contractor can unmark the unblocked balance lien marked amount at any point of time through the Mark/ Unmark lien functionality available on IREPS portal.

vii. EMD of the successful bidder will be retained by Railways as Security Deposit.

6. The highest bid will be determined by the system on the basis of total revenue offered by the bidder during the contract period.

If the highest bidder (based on total bid value for the contract period) offers bids for less than the actual available days of operation for the concerned train, auction may be conducted for the idle days after finalization of first contract.

Contract will be awarded to the highest bidder if its bid rate is above or equal to the Reserve Price.

Bid Sheets with all details of the lot and asset, highest accepted bid details, details of highest bidder, etc. will be generated online, and will be signed digitally after closure of the auction. The bid sheet will be delivered to the successful bidder on line through his IREPS user account. An SMS/ E-Mail shall also be sent simultaneously intimating the successful bidder.

SMS and E-Mail are additional facilities which are being provided for the sake of convenience of the bidders. However, the onus will be on the bidders to regularly check their IREPS account for new bid sheets issued in their name. No claim shall be entertained by Railways on account of non-delivery or delay in delivery of SMS / E-Mail.

The successful bidder shall be required to execute an Agreement with the President of India acting through the Auction Conducting Officer. The Contract Agreement, duly signed by the auction conducting authority will be delivered to the successful bidder online, which can be accessed by the bidder through his IREPS user account. The bidder will have to sign the contract agreement within 72 hours of receipt of the same. In case of failure of the highest bidder to sign the contract agreement within the stipulated time, the auction conducting authority may at his discretion forfeit the Earnest Money submitted by the bidder against the lot, and cancel allotment of the lot to the bidder.

If the contractor desires to get the Agreement registered as per law of the land, he shall do so on his own, and shall be solely responsible for the same. All costs, charges and expenses of and incidental to engrossing and completing the Agreement including stamp duty and Registration Charges shall be borne and paid by the contractor. However, this process shall not affect the execution of the contract in any manner whatsoever, and the contractor shall have no claim for extension or otherwise of the contract and/ or the contractual payments.

Scope of the contract will be as stipulated in the lot details, asset details, instructions to tenderers, general conditions of contract, special conditions of contract, if any, and any other condition mentioned in the Auction Catalogue.

7. ***Security Deposit (SD):*** Security deposit equivalent to 5% of annual contract value as per accepted rates (for contracts of validity one year or more), or 5% of full contract value (for contracts of validity less than one year) will be applicable. EMD of the successful bidder will be kept by Railways as Security Deposit.

8. ***Contract Period:*** Duration of contract will be as specified in the Auction Catalogue against each lot. Contract 'start date' and 'end date' shall be as mentioned in the Auction Catalogue, however the same may be deferred by up to forty-five (45) days by the Railway due to operational constraints or unforeseen circumstances. The duration of the contract shall however remain the same. No extension of contract period shall normally be permitted. Railways may, however, consider need based extension of the contract period with the approval of the Competent Authority, up to a period of maximum three months, in deserving cases duly considering Railway's requirement and contractor's performance in terms of timely payment of lump-sum freight/ rent/ license fee and execution of the contract satisfactorily. Such extension in contract period shall be purely on the discretion of Railways and will not be the contractor's right. However, it will be obligatory on part of the contractor to execute the contract in the extended period up to three months and the contractor's consent will not be required for such extension.

9. There would be no escalation in lump-sum freight/ rent/ license fee during the contract period for contracts of up to 3 years validity. For contracts of more than 3 years validity, 10% compounded annual escalation of lump-sum freight/ rent/ license fee shall be applicable from the fourth year onwards.

10. In case of contracts for leasing of parcel space, no leave days will be allowed for the parcel leasing contracts finalized through e-Auction.

11. In case of contracts for leasing of parcel space, names of intermediate stations on which loading/ unloading shall be permitted en-route shall be mentioned in the lot details in Auction Catalogue. The loading/ unloading stations may, however, undergo changes later due to operational requirements of Railways. Contractor will be allowed to load/ unload the parcels on any of the intermediate stations on which such loading/ unloading is allowed on a given date. The contractor will have to advise the names of such stations (only from the list of permitted stations) to Railway at least two days before start of the contract. Any change in the list of loading stations during the duration of contract shall be advised by the contractor to Railway at least two days in advance.

12. License fee including additional charges like GST, GST Cess, etc. shall be paid by the contractor online through IREPS. Installment amount and time period allowed for depositing the same by the contractor will be as given in the table below. In case the contractor fails to deposit the requisite amount, along with all additional charges applicable within the due date, he will be allowed to deposit the same within a grace

period as mentioned in the table below by paying penalty of 0.5% of the due amount for each day of delay.

Type of Contract	*Amount to be paid*	*Time for depositing the Amount*	*Grace period (with penalty)*
Leasing of parcel space	Per trip, lump-sum freight	One day prior to the day of loading	Maximum 07 days after the due date of payment (with 0.5% penalty per day on the unpaid amount)
Parking	Rent/ license fees for one quarter, or for the balance duration of contract (whichever is less)	First installment within 15 days of the issue of contract, subsequent installment 15 days before the start of respective quarter	
Commercial publicity			

If the contractor fails to pay the due amount even after the end of grace period as mentioned above, the contract will be terminated with the forfeiture of Security Deposit.

GST: Liability of depositing the GST will lie with the contractor under Reverse Charge Mechanism (RCM) for all leasing contracts. Rate of GST applicable for the lots will be declared by the auction conducting unit in the auction catalogue.

Adjustment, refund or waiver of licensing fee for stipulated period for reasons beyond the contractor's control: In cases of non-availability of an asset (SLR or Parcel Van for loading, space for parking, or space for advertising) due to unforeseen reasons or administrative reasons on part of Railways, the lease amount paid by the contractor may be adjusted for next trip. However, in cases of permanent or long term non-availability of the assets, the advance lump-sum freight/ rent/ license fee paid by the contractor may be refunded considering merit of the case. For short term non-availability of the asset, deferment of payment of lump-sum freight/ rent/ license fee for the duration of non-availability may be considered by Railway on request by the contractor, considering the merits of the case.

16. Parcel Way Bill will not be issued in case of leased of Leasing of Parcel space. Digital payment receipt certificate verifiable on IREPS will be generated for the money paid by the contractor as advance lump-sum freight. Payment receipt certificate and reports will be available in IREPS for the contractor and Railways, and will also be available on the Parcel Management System (PMS) for the perusal of parcel staff at all the concerned stations.

17. ***Untoward Incidence:*** The Railway administration shall not be liable to pay any compensation to the passenger/ public for any negligence of the licensee resulting in injuries or death. The licensee shall be bound to pay any claims arising out of such incidence as per Railway rules and shall also abide the decision of the Railway Claims Tribunal under section 124/A of The Railways Act 1989 or any other decision given by court of Law on this matter.

18. ***Forfeiture of Security Deposit:*** If the contractor fails to pay the complete lump-sum freight charges/ rent/ license fee of the specified period even after expiry of extended

period for payment (as detailed in para 15 above) with penalty of 0.5% per day on the delayed amount, or fails to start the contract from the contract start date, the contract will be terminated and Earnest Money/ Security Deposit will be forfeited without any further notice.

19. Delays in commencement of contract purely on account of Railways may be condoned, with the approval of the competent authority, considering merit of the case on request by the contractor, along with documentary proof of the delay being on Railways' account. However, there will not be any extension in lease amount payment period beyond the maximum permissible delayed payment period with penalty.

20. Short closure of the contract:

(i) *By the Contractor:* If it is not feasible for the contractor to continue the contract due to fluctuation in the market or any unforeseen reason, the contractor can terminate the contract by giving 30 days' notice to the Railway Administration 'subject to completion of six months contractual period.' The complete Security Deposit will be refunded in such cases. This provision shall not be applicable on the contracts of less than six month duration. In case leaseholder surrenders his contract before completion of six month or complete duration of the contract, whichever is less, his Security Deposit shall be forfeited. Further, the contractor fails to adhere to the 30 days notice period, the Security Deposit shall be forfeited.

(ii) *By Railway Administration:* Railway shall have the right to terminate the contract/ Agreement without any financial repercussion on either side for any reason whatsoever after serving one month's notice to the contractor. Railway shall also reserve the right to terminate the contract without any financial repercussions on either side in case of operational exigencies or in cases where the asset, for which the contract was awarded, is not available for commercial exploitation due to some other development or change in site.

If for any reason the Railways is not able to honour the whole/ part of contract and considers it necessary to cancel the whole contract or to reduce the scope of the contract on Railway account, no compensation will be payable for such cancellation or reduction, except refund of the proportionate amount of lump-sum freight/ rent/ license fee, without any interest. No appeal against this decision will be entertained.

However, Railway shall reserve the right to terminate the contract as a punitive measure without any notice and any time in case of violation of any of the terms and conditions of the contract or due to any other serious misconduct by the contractor.

21. ***Termination of the contract:*** Railway shall reserve the right to terminate the contract as a punitive measure without any notice and any time in case of violation of any of the terms and conditions of the contract or due to any other serious misconduct (including but

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not limited to violation of Railway Act 1989, commissioning of an unlawful act which is not in-line with good industry practices, or an activity of moral turpitude) by the lease holder, forfeiting full EMD/ SD amount.

22. ***Penalties:*** Penalties for defaulting the terms and conditions of the contract, passenger inconvenience, delay in contract execution, etc – as specified in the special conditions for the lot in auction catalogue – will be applicable and will be recovered from the contractor. The quantum of penalty shall not exceed 2% of the annual contract value for the first irregularity, 5% of the annual contract value for the second irregularity, and 10% of the annual contract value for the third or subsequent irregularities.

23. ***Force Majeure:*** Conditions beyond control of either parties like war, hostility, acts of public enemy, civil commotion, sabotage, serious loss or damage by fire, explosions, epidemics, strikes, lockouts or acts of God come under the legal concept of Force Majeure (FM). Delays in performance of contractual obligations under influence of FM conditions are condonable by the other party without any right to termination or damages, provided, notice of the happening of any such event is given by the affected party to the other within 30 (thirty) days from the date of occurrence. Contract execution shall be resumed as soon as practicable after such event has come to an end or ceased to exist. However if such event continue for a period exceeding 120 days, either party may at its option terminate the contract by giving notice to the other party.

24. ***Banning of firms:***
    i) A bidder/ contractor shall be debarred if he has been convicted of an offence under the Prevention of Corruption Act, 1988; or The Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of any contract.

    ii) A bidder/ contractor debarred under sub-section (i) above, or any successor of such a bidder/ contractor, shall not be eligible to participate in any bidding process of any Railway unit for a period not exceeding three years commencing from the date of debarment.

    iii) Any bidder/ contractor shall not be debarred, unless such the bidder/ contractor has been given a reasonable opportunity to represent against such debarment.

25. ***Dispute resolution and Arbitration:*** Notwithstanding any provision in these policy guidelines, stipulations of Railway Act, 1989 will prevail. In case of any dispute in interpretation of policy, the decision of Railway Administration shall be final and binding.

    All disputes in regard to implementation of the policy/ contract/ agreement with the Division or Zonal Railway will be referred to an Arbitrator nominated by the General Manager of the Railway.