

Designing a Contract
for
On Board Catering Service
2nd Prize

Presentation by
Sri SK Singh, CCM/PS/ER
AK Taldi, SCM,CATG/EcoR,
K Mitra, DCM/SDAH,
AK Mishra, Sr.DOM/ASN

Scope of the Project

- To understand the catering needs of different segments of on-board Rail Traveller, in different type of train services and conceptualise a contract to provide optimum satisfaction to them, at affordable cost,

Segmentation of customers

- We have categorised them into three segments of passengers as per paying capacity and there are five types of passenger services which have different catering needs-
 - Passenger segment-
 - AC class
 - Sleeper class
 - General & Commuter class

Specific requirements of different type of Rail customers

❖ Depending upon the paying capacity and time spent by passengers in trains, the catering needs are differentiated-

❖ Premium services where passengers are better informed, can exercise more choice, brand conscious and are having higher paying capacity. These are the passengers maximum feed back is received.

Meal charges should be made optional and not compulsorily included in the fare.

❖ In non-premium long distance trains, there is a large population of sleeper class low paying customers, who demand fixed menu meals at affordable price.

❖ In non-premium long distance trains, there is a good population of unreserved class low paying customers, who need staple diet of local food in bulk at very low price.

❖ In Indian railway there is a large segment of daily commuters, few of which travel by premium services and maximum by second class sitting and local trains. These passengers are spending 4-6 hours in train and have need of local snacks and beverages only.

❖ Hence the catering service should be designed in such a way that it has a fixed menu above which a-la-carte add-ups can be provided by the service provider as per specific demand of the traveller.

Categorisation of train services, based on time spent in train

Over night trains	8 to 12 hrs	No service required
Long distance premium trains (AC passengers)	12 to 20 hrs	one meal+one breakfast+ one Hi-tea with customised choice including branded meals & beverages
Long distance M/Exp trains	12 to 20 hrs	In addition to above requirements of AC class, local fixed cuisines at affordable price for sleeper class and low priced staple diet for general class
Very long distance (inter state trains)	>20 hrs	State specific cuisines should be in menu, in addition to above requirements of long distance
Day time premium commuter trains	4 to 8 hrs	one meal+one breakfast with customised choice including branded meals & beverages
Day time other commuter trains	4 to 8 hrs	Locally popular snacks & beverages

Customer expectations on Intangible component of catering service

- Interface with passengers should be easily approachable, well informed and smartly conversant- may be net-based, or app-based.
- The caterer should be having pre informed choices of travellers and should cater to customised needs.
- Packaging and delivery should maintain basic hygiene, and has appreciable look.
- Menu, tariff and complaint redressal mechanism should be displayed for all travellers
- Provision of ancillary services like- linen distribution, On-board-housekeeping, portering, lodging, cab-booking, small purchases of curio items etc, by one person in each coach.

Special qualification/criteria for service provider

- Having one office in any metro/terminal station with connectivity and net-using staff for liasoning with customer and outsourcing.
- Have own base kitchen in any of the major stopping station of that train or should have tie-up with any other branded catering-chain having major outlet in the stopping station, where meal is to be picked up.
- The agency should provide Linen service and housekeeping service in the train, and selling available advertising space.
- Serving and interacting staff should have minimum training, qualification
- The service provider should be agreed for submitting itself to Third-Party-Audit on service quality.

Revenue Model

- There is scope of further earning for the agency by way of advertising revenue, by using spaces in the corridor/vestibule, at pillow-cover, hand towel,
- Since, this is being designed for combining the earning as well as expenditure contract, the cash flow should be carefully calculated for arriving out at a correct and viable revenue model, by getting a survey conducted by professional agency.

Process for engaging suitable contract

- Estimating the quantity of job and market price of the service at the relevant serving station (Base Kitchen), by getting a survey conducted by professional agency
- The above survey should be taken up as a benchmark for fixing up a Reserve Price.
- Compulsory Pre bidding meeting with potential service provider

Documentation of tender papers

- Preparation of SBD, standard bid document by selected professional agency
- Customisation of SBD for specific trains, routes, OD pair
- Monitoring and penalty/termination clause
- Resolution of dispute / Arbitration

THANK YOU