

Corrigendum - 7 for Request for Proposal
To Build, Operate and Maintain Railway Display Network



RailTel Corporation of India Ltd.

Plot No. 143, Institutional Area, Sector -44

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1 Corrigendum for Request to Build, Operate and Maintain Railway Display Network

In reference to the Request for Proposal to build, operate and maintain Railway Display Network reference no. RailTel/RFP/OT/CO/DNM/2017-18/RDN/385 dated: 17th July 2017, all are advised to note following:

S. No.	RFP Reference	Original Version	Modified Version
1	Document Map	<p>Point 11: Evaluation Process</p> <ol style="list-style-type: none"> 1. Quality and Cost Based Selection (QCBS) approach would be followed to select the best offer. Technical score would have 40% weightage in the Total Score and commercial scope would have 60% weightage in the Total Score. 2. Technical score would be based on bidder's past experience, compliance to functional and technical requirements mentioned in this RFP, business and technical presentation and innovation proposed by the bidder. Commercial score would be calculated basis the present value of the minimum commitment quoted by the bidder (using DCF method). Bidder with the highest score in the region would be awarded the region. 3. The bidder can participate in both the regions. However, only one region would be awarded to a particular bidder. Selection criteria pertaining to this has also been captured in this section. 	<p>Point 11: Evaluation Process</p> <ol style="list-style-type: none"> 1. Auction process for eligible and technically qualified bidder would be followed to select the best offer. 2. Technical score would be based on bidder's past experience, compliance to functional and technical requirements mentioned in this RFP, business and technical presentation and innovation proposed by the bidder. Commercial offers would be assessed to calculate the FLOOR PRICE for the auction process. Bidder with the highest commercial offer in the region after the auction process would be awarded the region. 3. The bidder can participate in both the regions. However, only one region would be awarded to a particular bidder. Selection criteria pertaining to this has also been captured in this section.
2	Section 11	Evaluation Process: Complete Section deleted.	Evaluation Process has been modified. The modified and detailed evaluation process is mentioned as Appendix 1 to this document.
3	<i>New Section</i>	-	Annexure 27: Compliance Statement has been added in line with the Auction Process introduced in this corrigendum. Refer Appendix 2 of this corrigendum for the format of Compliance Statement. This format is applicable to both regions.
4	Annexure 12A	Annexure 12.A: Masked Commercial Bid for Region 1 (North + East)	Annexure 12A has been DELETED
5	Annexure 12B	Annexure 12.B: Masked Commercial Bid for Region 2 (South + West)	Annexure 12B has been DELETED
6	Point 5.1	Upon Termination, RailTel shall be entitled to encash the EMD and appropriate the proceeds thereof as Damages; provided, however, if	Upon Termination, RailTel shall be entitled to encash the EMD and appropriate the proceeds thereof as Damages; provided, however, if

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	Section 8 Financial Closure	Financial Close has not occurred solely as a result of the Authority being in default of any of its obligations, it shall, upon Termination, return the EMD/ Bank Guarantee forthwith. For the avoidance of doubt, it is expressly agreed that if the EMD/ Bank Guarantee shall have been substituted by Financial Bank Guarantee, the Authority shall be entitled to encash therefrom an amount equal to EMD.	Financial Closure has not occurred solely as a result of RailTel being in default of any of its obligations, it shall, upon Termination, return the EMD/ Bank Guarantee forthwith. For the avoidance of doubt, it is expressly agreed that if the EMD/ Bank Guarantee shall be substituted by Financial Bank Guarantee, RailTel shall be entitled to encash therefrom an amount equal to EMD.									
7	Section 14.4 Earnest Money Deposit	The EMD is to be submitted in form of a valid DD	<p>The EMD is to be submitted in form of a valid DD or a valid bank guarantee. Format for bank guarantee is mentioned as Appendix 3 of this corrigendum - Annexure 28: Format for BG for EMD.</p> <p>This change is applicable across the RFP.</p> <p>The EMD shall remain valid from the date of submission of bids till the bid validity period as specified in section 12.3 of the RFP</p> <p>Applicable for all bank guarantees:</p> <p>1) In view of guidelines issued from ministry of finance, it is mandatory that all the Bank Guarantees submitted under this tender must be routed through Structured Financial Messaging System (SFMS) from issuing Bank to our Bank by sending IFN 760 COV Bank Guarantee Advice Message. Thereafter only physical Bank Guarantee will be acted upon.</p> <table><tr><td>1</td><td>Beneficiary Name & Address</td><td>RailTel CO Collection Account RailTel Corporation of India Ltd, 143, Sector 44, Gurgaon-122003</td></tr><tr><td>2</td><td>Bank Name</td><td>Union Bank of India</td></tr><tr><td>3</td><td>Bank Branch & Address</td><td>Yusuf Sarai New Delhi</td></tr></table>	1	Beneficiary Name & Address	RailTel CO Collection Account RailTel Corporation of India Ltd, 143, Sector 44, Gurgaon-122003	2	Bank Name	Union Bank of India	3	Bank Branch & Address	Yusuf Sarai New Delhi
1	Beneficiary Name & Address	RailTel CO Collection Account RailTel Corporation of India Ltd, 143, Sector 44, Gurgaon-122003										
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			<table><tr><td>4</td><td>Beneficiary Account No</td><td>340601010050446</td></tr><tr><td>5</td><td>IFSC code</td><td>UBIN0534064</td></tr></table> <p>2) The successful bidder has to ensure submission of all BGs as per the latest RBI guidelines.</p>	4	Beneficiary Account No	340601010050446	5	IFSC code	UBIN0534064
4	Beneficiary Account No	340601010050446							
5	IFSC code	UBIN0534064							
8	Section 10 (Point No. 3 of Note below the eligibility criteria table)	If any financial statement is submitted by the consortium partners in order to substantiate the pre-qualification criteria mentioned above, the currency conversion rate as on the date of bid submission (mentioned in section 4.2) shall be used to derive the corresponding figure in INR (Indian Rupee).	If any financial statement(s) is submitted by the consortium partners in order to substantiate the pre-qualification criteria mentioned above pertain to other than INR, the currency conversion rate to derive the corresponding under a common currency denominator shall be the average of buying and selling exchange rate prevalent on the date of signing of those financial statements.						
9	Section 4 SLA – 2 (Station Uptime)	SLA Definition Uptime of station - (station shall said to be up if at least 95% screens (in terms of sq. ft.) are up and available at that point in time)	SLA Definition For tier A1, A, B & C - Uptime of station - (station shall said to be up if at least 95% screens (in terms of sq. ft.) are up and available at that point in time) For tier D - Uptime of station - (station shall said to be up if at maximum 1 (one) screen is down and not available at that point in time)						
10	Formation of Joint Venture by Successful Bidder	In case the work is awarded to the consortium, the members of consortium must form a JV and get the same incorporated at the Registrar of the Companies under Companies Act or before the Registrar/ Sub-Registrar under the Registration Act, 1908 (for guidelines on JV formation refer to Annexure 1 of this RFP). The JV Agreement shall be submitted by the newly formed JV to RailTel before signing the contract agreement for the work. However, undertaking duly signed and sealed by all members must be submitted along with bid response stating that all members would be forming JV in case the work is assigned to them. Refer Annexure 16 for the format of this undertaking	In case the work is awarded to the consortium, the members of consortium must form a JV/ Special Purpose Vehicle (SPV) and get the same incorporated at the Registrar of the Companies under Companies Act or before the Registrar/ Sub-Registrar under the Registration Act, 1908. The JV Agreement/ SPV Agreement along with detailed roles and responsibilities of each JV/ SPV member shall be submitted by the newly formed JV/ SPV to RailTel before signing the contract agreement for the work. However, undertaking duly signed and sealed by all members AND board resolutions with roles and responsibilities and willingness to participate in the SPV from each member of the						

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			<p>SPV (board resolutions only required in case an SPV is being formed) must be submitted along with bid response stating that all members would be forming JV/ SPV in case the work is assigned to them.</p> <p>Refer Annexure 16 for the format of this undertaking. The annexure may be customized only to replace JV with SPV.</p> <p>This change is applicable across RFP (for all events that would happen when a bidder is declared as the successful bidder for a region).</p>
11	Section 14.27 Financial Bank Guarantee Point 2.1.1	The successful bidder shall submit a rolling FBG. For Year 1 and Year 2, the successful bidder is expected to maintain an FBG equivalent to aggregate minimum commitment quoted for year 1 and Year 2. For Year 3 onwards, the successful bidder is expected to maintain an FBG equivalent to twice the total revenue payable to RailTel in the last year i.e. in across year 3, the successful bidder is expected to maintain an FBG on twice the amount payable to RailTel in year 2. (This shall be over and above the charges to be paid to IR & RailTel towards infrastructure facilities if applicable). The bank guarantee would be valid across contract duration and till 2 years post the completion of the contract. The rolling bank guarantee needs to be updated within first 15 calendar days of every year.	The successful bidder shall submit a rolling FBG. For Year 1 and Year 2, the successful bidder is expected to maintain an FBG equivalent to aggregate minimum commitment quoted for year 1 and Year 2. For Year 3 onwards, the successful bidder is expected to maintain an FBG equivalent to the total revenue payable to RailTel in the last year i.e. in across year 3, the successful bidder is expected to maintain an FBG on the amount payable to RailTel in year 2. (This shall be over and above the charges to be paid to IR & RailTel towards infrastructure facilities if applicable). The bank guarantee would be valid across contract duration and till 2 years post the completion of the contract. The rolling bank guarantee needs to be renewed 15 days prior to its expiry.
12	Section 14.27 Operational Bank Guarantee Point 2.1.1	The successful bidder shall submit an OBG of INR 10 Crores. The bank guarantee would be valid for 12 years (i.e. 10 years of contract duration + 2 years post contract duration)	The successful bidder shall submit an OBG of INR 10 Crores. The bank guarantee for the said amount should remain valid across 12 years (i.e. 10 years of contract duration + 2 years post contract duration). The OBG initially issued shall be valid for 3 years initially and then may be renewed each year so as to be valid until 12 years from the date of contract. The operational bank guarantee needs to be renewed within first 15 calendar days of every year and needs to be updated at all instances to ensure a live OBG of INR 10 Crores.
13	Section 14.11	Point 4 - has an execution levied on his goods or property on the works, or	Point 4 and Point 7 in section 14.11 stand deleted.

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		Point 7 - fails to remove materials from the site or to pull down and replace the work after receiving from the Indian Railway's / RailTel's Engineer's notice to the effect that the said materials or works have been condemned or rejected, or	
14	Corrigendum-5 -Last date of submission of bids	<p>Bid Submission last date and time for Region 1 and Region 2 = 07 November 2017 at 1500 hrs.</p> <p>Technical Bid Opening date and time for Region 1 and Region 2 = 07 November 2017 at 1530 hrs.</p>	<p>Bid Submission last date and time for Region 1 and Region 2 = 23 November 2017 at 1500 hrs.</p> <p>Technical Bid Opening date and time for Region 1 and Region 2 = 23 November 2017 at 1530 hrs.</p>

Appendix 1 - Updated Evaluation Process

11 Evaluation Process

The objective of the evaluation process is to evaluate the bids received in response to this RFP in order to select an effective and best fit solution at a best commercial offer. The evaluation by RailTel will be undertaken by an Internal Committee formed by RailTel. RailTel may consider recommendations made by external experts/ consultants on the evaluation. The decision of the committee formed by RailTel shall be final.

RailTel will scrutinize the offers to determine whether they are complete, whether any errors have been made in the offer, whether required technical documentation has been furnished, whether the documents have been properly signed, and whether items are quoted as per the required format.

RailTel may call for any clarifications/ additional particulars required, if any, on the technical/ commercial bids submitted. The bidder has to submit the clarifications/ additional particulars in writing within the specified date and time. The bidder's offer is liable to be disqualified, if the clarifications/ additional particulars sought are not submitted within the specified date and time.

RailTel reserves the right to call for presentation(s), product walkthrough(s), on the features of the solution offered etc., from the bidders based on the technical bids submitted by them.

Evaluation of the proposal shall be done basis following parameters:

S. No.	Evaluation Criteria	Weightage
1	Technical Evaluation Criteria	
1.1	Past Experience	25%
1.2	Functional requirements for RDN platform	50%
1.3	Business and technical presentation	15%
1.4	Showcasing Innovation which ensures RDN success (to be implemented for RDN project) on areas such as Railway content dissemination, Improvement in	10%

S. No.	Evaluation Criteria	Weightage
	passenger experience, , Advertising capability, Screen deployment at stations etc.	
2	Financial Evaluation through Auction of technically qualified bidder and Selection of winning bidder	

Technical evaluation process (point no. 1 in above table) is for identifying technically qualified bidder as defined subsequently and the final selection of the bidder for the respective region shall be based on Financial Evaluation through auction process. Refer to section 11.3 (Selection of winning bidder)

Note: For point No. 1.4 in above table, bidders need to submit their response in technical proposal as well as present the proposed innovations in Business and technical presentation session. Bidder at the sole discretion of RailTel may be asked for demonstration as well.

11.1 Technical Evaluation Process

The technical proposals of only those bidders shall be opened who have satisfied the pre-qualification criteria. As part of technical bid evaluation, the proposal submitted by the bidders shall be evaluated basis the following parameters:

1. Past Experience (PE)
2. Functional Requirements for RDN (FTR)
3. Business and Technical Presentation

The bidders shall be evaluated on the parameters mentioned above on the basis of evaluation approach as outlined below. Each parameter has been assigned a maximum score a bidder can earn for that parameter. The scores for each parameter shall be summed up to determine the technical score of the bidder.

11.1.1 Past Experience

The bidder's past experience shall be evaluated and scored basis the table below:

S. No.	Past Experience	Score	Max Score
A1	Cumulative Experience of consortium member(s) in deployment and management of digital display screens in public premise and/or commercial establishments		20
	Greater than 4500 digital display screens	20	
	3001-4500 digital display screens	15	
	1500-3000 digital display screens	10	
A2	Cumulative Experience of consortium member(s) in management of network devices		20
	Greater than 750 network devices in 3 organizations	20	
	501 - 750 network devices in 3 organizations	15	
	250 - 500 network devices in 3 organizations	10	
B1	Cumulative Experience of consortium member(s) in deployment and management of digital display screens in public premise and/or commercial establishments in the region participated for in this RFP		10
	Greater than 1500 digital display screens	10	
	1001-1500 digital display screens	8	
	500-1000 digital display screens	5	
B2	Cumulative Experience of consortium member(s) in management of network devices in the region participated for in this RFP		10
	Greater than 250 network devices in 3 organizations	10	
	151 - 250 network devices in 3 organizations	8	
	100 - 150 network devices in 3 organizations	5	
C	Cumulative Experience of consortium member(s) in deployment and management of digital display screens in Indian Railway premise		15
	Greater than 200 digital display screens	15	
	101-200 digital display screens	12	

S. No.	Past Experience	Score	Max Score
	Less than 100 digital display screens	10	
D	Cumulative deployment of offered content delivery platform		20
	Greater than 2500 independent digital screens	20	
	Managing 2001-2500 independent digital screens	15	
	Managing 1501 - 2000 independent digital screens	10	
E	Sum of annual turnover of consortium member(s) from content/ advertisement related work/ services over last 3 financial years		20
	Greater than INR 500 Crores	20	
	Greater than INR 250 Crores and less than INR 500 Crores	15	
	Greater than INR 100 Crores and less than INR 250 Crores	10	
F	Sum of annual turnover of consortium member(s) from Digital OOH related work/ services over last 3 financial years		10
	Greater than INR 75 Crores	10	
	Greater than INR 50 Crores and less than INR 75 Crores	8	
	Greater than INR 25 Crores and less than INR 50 Crores	5	
H	The OEM of the offered CDP solution or the organization commercially supporting the offered CDP solution should be headquartered in India.		5
	Yes	5	
	No	0	
TOTAL			100

Note:

1. Higher of score obtained in parameter A1 & A2 would be considered in the score for past experience. Similarly, higher of score obtained in parameter B1 & B2 would be considered in the score for past experience.
2. Completion certificate supported by Purchase orders shall ONLY be considered as implementation certificate from the client.
3. Successful POC implementation for RDN (against EoI issued) can be considered as experience provided that all members of the consortium which performed a successful POC have participated as one consortium (with or without additional/ new members not surpassing the maximum limit on the number of consortium members specified in this RFP) in this RFP also.
4. If any financial statement is submitted by the consortium partners in order to substantiate the pre-qualification criteria mentioned above, the currency conversion rate as on the date of bid submission (mentioned in section 12.2) shall be used to derive the corresponding figure in INR (Indian Rupee).
5. For global client credentials where NDA has been signed, the bidder may submit the corresponding NDA document along with a self-declaration confirming the requirements of the pre-qualification criteria for which the NDA is being submitted.
6. Credentials for CDP and screen deployment where the content on screens could be controlled/ chosen by the viewer would not be considered in eligibility and technical evaluation.
7. The bidders would facilitate RailTel and/or its third party alliances to carry out reference site visits and/ or interviews (telephonic/ physical) with the bidders and/ or existing customers of the bidders to validate the details/ information submitted by the bidder as part of their technical proposal (for pre-qualification and technical evaluation)
8. Projects implemented internally within the consortium member's organization/ sister entities shall be considered while technical capability of the consortium. However, the consortium shall have to submit a letter of verification from a third party entity which should be a CERT-IN empanelled or equivalent agency.
9. Certificates from CA shall include the ICAI membership number.
10. List of acceptable and non-acceptable network devices for meeting the pre-qualification criteria is mentioned in Annexure 3

11.1.2 Functional Requirements for RDN Platform

The minimum functional and technical specifications for RDN is given in Annexure 20 *[released in corrigendum 1 subsequently]*. The functional and technical specifications have been classified into two categories – Mandatory and Detailed. In case the bidder responds to any “mandatory” requirement as “Non-compliant”, RailTel may at its discretion reject the bid and not consider the same for further evaluation. For requirements classified under “Detailed”, the bidder shall indicate the availability of each requirement basis the following table:

Input	Description	Score
F	Fully Compliant and Commercially deployed	5
C	Fully compliant and demonstrable (lab setup permitted)	3
M	Partially compliant and demonstrable	1
N	Not complied	0

RailTel may at its sole discretion ask any/ all the bidders to justify “Not Complied (N)” response identified against any requirement. Any unreasonable non-compliance/ deviations to functional or technical requirements may lead to disqualification of the bid at sole discretion of RailTel. The bidder should also provide documentary proof for each functional and technical requirement released as part of this RFP. RailTel, at its sole discretion, may ask the bidders to simulate the functional and technical requirements/ features and validate the response (F/ C/ M/ N) submitted by the bidder. The bidder’s shall have to support the site visits of RailTel representatives.

11.1.3 Business and Technical Presentation

RailTel shall invite the bidders for business and technical presentation.

Business Presentation – 1.5 hours (1 hour for presentation and 30 minutes for Q&A session). In this bidders shall be evaluated on following:

1. Understanding of scope of work

2. Approach and Methodology for implementation and operation & maintenance phase
3. Project management (project timelines, risk mitigation plan etc.)
4. High level architecture and solution offered
5. Business case
 - 5.1 Adequacy of assumptions
 - 5.2 Revenue streams and revenue forecast
 - 5.3 Capex and Opex expenditure and ROI analysis
 - 5.4 Strategy to build RDN brand and marketing strategy
 - 5.5 Revenue maximization plan
6. Railway information dissemination
7. Passenger engagement strategy
8. Governance model

Technical Presentation – 1.5 hours (1 hour for presentation and 30 minutes for Q&A session). In this bidders shall be evaluated on following:

1. Overall solution walk through
2. Compliance to technical and functional requirements as mentioned in RFP
3. Selective functionality walk through
4. Solution capability demonstration such as resilience, scalability etc.
5. Any salient or proprietary features

Bidders are required to share the Business and Technical presentation in hard copy as well as soft copy on or before scheduled presentation date. The decision on Business and Technical presentation score by RailTel's evaluation committee shall be final. Score shall be valid if bidder has participated for one or both the regions.

11.1.4 Calculation of Technical Score of Bidder

Technical score of bidder = $(0.25 \times \text{Past Experience Score out of 100}) + (0.50 \times \text{Functional requirements for RDN platform score out of 100}) + (\text{Business and Technical Presentation score out of 15}) + (\text{Score for innovation out of 10})$

11.2 Commercial Evaluation Process

The Financial Bids will be opened only for those Bidders who score at least 65% (65 marks out of 100 i.e. maximum score for technical evaluation) in the technical evaluation stage. RailTel, through its Internal and/ or its external experts/ consultants, shall assess the commercial offer submitted by the bidders in Annexure 4A for region 1 and in Annexure 4B for region 2 and declare a floor price to carry out at auction for each region. The auction process for each region would be independent and only the technically qualified bidders corresponding to the top 5 (five) commercial offers (present value of the reserve price quoted in Annexure 4A for region 1 and Annexure 4B for region 2 @12% per annum discounting factor) shall ONLY participate in the auction process for the respective region. RailTel would carry out the auction on Present Value of a 10-year period. If the bidder is declared as the successful bidder for a particular region, the bidder will distribute the Present Value of the 10-year period on which he has won the auction into an yearly cash flow such that:

1. Minimum commitment for each year is more than the minimum commitment for the previous year
2. Minimum commitment for each year is at maximum two times the commitment quoted for previous year
3. Minimum commitment for each year is more than the reserve price quoted for the corresponding year by the bidder (in annexure 4A for region 1/ annexure 4B for region 2).

The present value amount on which the auction would be conducted shall be **exclusive of applicable taxes**.

The distribution of the Present Value of the 10-year period would be as per the following:

1. Successful bidder will calculate the yearly commitments by adopting Discounted Cash Flow (DCF) method with a discounting rate of 12%. The DCF is defined in the Glossary of Management and Accounting Terms, published by the Institute of Cost and Works Accountants of India. The PV shall be calculated exclusive of taxes.

2. Present Value (PV) will be used to identify the winner of the auction process. The bidder, who wins the auction, will have to submit the distribution of the 10-year annual commitment to RailTel within 2 business days from the completion of auction. In case the bidder fails to submit the same within 2 business days, then RailTel, at its sole discretion, may reject the bid and not allow further participation, forfeit the EMD and decide to conduct a fresh auction basis a fresh/ same FLOOR PRICE. The formula for ascertaining whether the 10-year cash-flow corresponds to the PV at which the bidder has won the auction is illustrated in subsequent points.
3. PV will be validated on the yearly minimum commitment offered by the bidder in their Final Commercial Proposal (i.e. after winning the auction process) for respective region
4. Standard software for example 'Excel', or any other spreadsheet, which comes preloaded as part of a personal computer will be used for PV analysis.
5. The PV will be calculated using the formula below:

$$PV = C_1 \text{ (divided by) } (1+r)^1 + C_2 \text{ (divided by) } (1+r)^2 + \dots + C_n \text{ (divided by) } (1+r)^n$$

Where,

$C_1 \dots C_n$ are the yearly minimum commitment offered to RailTel by the bidder for respective region in their final commercial proposal (after winning the auction process)

Recurring charges (if applicable) will not be part of the above calculation as they are paid on actual basis

“r” is the annual discounting rate

6. In case of any discrepancy between amount in figures and in words, the amount in words shall govern.

11.2.1 Commercial Bid Evaluation Considerations

Commercial bid valuation shall be considered as below in case of any kind of discrepancy:

1. If there is a discrepancy between words and figures, the amount in words shall prevail

2. Where there is a discrepancy between the amount mentioned in the bid and the line item total present in the schedule of prices, the amount obtained on totaling the line items in the Bill of Material will prevail
3. The amount stated in the correction form, adjusted in accordance with the above procedure, shall be considered as binding, unless it causes the overall price to reduce, in which case the bid price shall prevail
4. If there is a discrepancy in the total, the correct total shall be arrived at by RailTel
5. In case the bidder does not accept the correction of the errors as stated above, the bid shall be rejected.
6. RailTel may, at its sole discretion, decide to seek more information from the respondents in order to normalize the bids. However, respondents will be notified separately, if such normalization exercise as part of the technical evaluation is resorted to.
7. The highest technical bidder shall not automatically qualify for becoming selected bidder and for award of contract by RailTel.
8. RailTel shall not incur any liability to the affected bidder on account of such rejection.
9. The successful bidder for each region shall provide revised minimum commitment cash flow post auction.
10. For each bidder who participates in the auction process and thereafter increases his present value during the auction, then ONLY highest present value offer submitted by the respective bidder would be considered for all purposes to select the successful bidder.
11. The final decision on the successful bidder will be taken by RailTel. The implementation of the project will commence upon signing of a contract between RailTel and the selected bidder based on the evaluation.
12. If for some reason, the agreement is not materialized with the successful bidder because of successful bidder: i) Not submitting the revised commercial offer (post auction process) in stipulated time period, or, ii) Unable to successfully perform the financial closure, or, iii) Unable to close the contracting process with RailTel, then RailTel reserves the right to conduct the auction process again with the REMAINING technically qualified bidders who correspond to the top 5 (five) commercial offers (present value of the reserve price quoted in Annexure 4A for region 1 and Annexure 4B for region2 @12% per annum discounting factor) for the respective region. The bidder, with whom the agreement could not be materialized due to reasons mentioned above, shall not be allowed to participate in the auction process again.

11.2.2 Calculation of Highest Commercial Offer (HCO)

HCO for bids received for each region would be derived after the auction process for each region.

11.2.3 Business Rules for auction

11.2.3.1 Applicability

1. Auctions are carried out under the framework of rules that are called Business Rules.
2. All bidders participating in auction shall understand/ accept and give an undertaking for compliance with the same to RailTel in the prescribed format
Annexure 27: Compliance Statement
3. Any bidder not willing to submit such an undertaking shall be disqualified for further participation in the tender process in question.

11.2.3.2 Compliance/Confirmation from Bidder

The bidders participating in auction shall submit the following documents duly signed by the same Competent Authority who signs the offer document in response to the RFP:

1. Acceptance of Business Rules for Auction and undertaking as per format in ***Annexure 27: Compliance Statement***
2. Agreement between bidder and vendor supporting the auction. (This format will be given by the OEM prior to Auction.)
3. Letter of authority authorizing the official/s to take part in Auction as per format in ***Annexure 27: Compliance Statement.***

11.2.3.3 Training to bidders:

1. RailTel will facilitate training for participation in auction either on its own or through the service provider for the auction.
2. On request where necessary, RailTel/service provider may also conduct a ‘mock auction’ to familiarize the bidders with auction process.
3. Any bidder not participating in training and/or ‘mock auction’ shall do so at his own risk and it shall not be open for him to make any request / complaint / grievance later.
4. Each bidder shall participate in the training at his / their own cost.
5. The venue, date, time etc. for training in auction shall be advised at the appropriate time.

6. No request for postponement/fixing of training date/time shall be entertained which in the sole view and discretion of RailTel might result in any avoidable delay to either the Auction or the whole process of selection of bidder.

11.2.3.4 Date/time of Auction

1. The date and time of commencement of auction which is the 'Auction Time' shall be communicated at least 4 working Days prior to such auction date.
2. Any force majeure or other condition leading to postponement of auction shall entitle RailTel to postponement of auction even after communication, but RailTel shall be obliged to communicate to all participating bidders the 'postponement' prior to commencement of such 'Auction'.

11.2.3.5 Conduct of Auction

1. The auction shall be conducted on a specific web portal meant for this purpose.
2. The auction may be conducted by RailTel itself or through a service provider specifically identified/appointed/empaneled by RailTel.

11.2.3.6 Proxy Bid

1. Through proxy bid provision in the auction process the bidder can feed in the system directly in strict confidence the initial quote and the highest bid amount up to which it intends to quote. The system automatically will keep his quote increasing by specified incremental amount as soon as some other bidder quotes amount higher than proxy bidder's last quote. This obviates the need for him participating in the bidding process until the proxy bid amount is incremented/ surpassed/ reached by other bidders.
2. When proxy bid amount is reached, the bidder has an option to revise the proxy bid amount or he can prefer to start participating in bidding process.
3. The service provider will clarify the proxy bidding in detail during training.

11.2.3.7 Transparency in Bids

1. All bidders will be able to view during the auction time the current highest price in portal. Bidder shall be able to view not only the highest bid but also the last bid made by him at any point of time during the auction time.

11.2.3.8 Masking of Names

1. Names of bidders shall be masked in the Auction process and bidders will be given suitable dummy names.

2. After completion of Auction, the service provider / auctioneer shall submit a report to RailTel with all details of bid and the original names of the bidders and also the H1 bidder (bidder with highest commercial offer in each region) with his / their original names.

11.2.3.9 Start Price

1. Auction process shall commence at and after electronically loading the “FLOOR PRICE” on the basis of minimum commitments quoted by the bidders. The FLOOR PRICE would be a present value amount corresponding to a 10-year cash flow and would be informed to the appropriate bidders 7 calendar days before the date of auction.

11.2.3.10 Incremented Bid Value

1. The bidders shall be able to bid only at a specified increment value or multiples thereof and not at any other fractions. The Bid increment value for Present Value amount shall be decided by the Competent Authority depending upon the nature and the amount of minimum commitment offers received (as per Annexure 4a and Annexure 4b).
2. For the sake of convenience of bidders, the web portal shall display the next possible incremented value of bid. It is not, however, obligatory on the part of bidders to bid at the next immediate higher level only. (That is, bids can be even at 2 or 3 levels higher than the immediate higher level.)

11.2.3.11 Auction Process

1. In order to reduce the time involved in the selection process, RailTel shall be entitled to complete the entire process through a single Auction.
2. RailTel shall however, be entitled to cancel the Auction process, if in its view procurement or Auction process cannot be conducted in the interest of RailTel.
3. The successful bidder shall be obliged to provide a commercial bid format (as annexure 4A for region 1 and as per annexure 4B for region 2) at the last bid price at the close of auction.

11.2.3.12 Changes in Business Rules

1. Any change in Business Rules as may become emergent and based on the experience gained may be made by RailTel.
2. Any/ all changes made in Business Rules shall be uploaded in the Website of RailTel (www.railtelindia.com) immediately.

3. If any auction process has commenced and a change is made in Business Rules, it shall be informed immediately to each bidder participating in the Auction and his concurrence to/ acceptance of the change shall be obtained in writing by RailTel.

11.2.3.13 Don'ts applicable to the Bidders

1. No bidder shall involve himself/ itself or any of his/ its representatives in any price manipulation directly or indirectly with other bidders. If any such practice comes to the notice, RailTel shall disqualify the bidders concerned from the e-tendering process.
2. Bidder shall not disclose details of his bids or any other details concerning Auction process of RailTel to any other third party without specific permission in writing from RailTel.
3. Neither RailTel nor service provider/ auctioneer can be held responsible for consequential damages such as no power supply, system problem, inability to use the system, loss of electronic information, power interruptions, UPS failure, etc. at bidders' place. (RailTel shall, however, entertain any such issues of interruptions, problems with open mind and fair degree of transparency in the process before deciding to stop or extend the auction.)

11.2.3.14 Errors and omissions

On any issue or area of material concern respecting e-Procurement/ tendering process not specifically dealt with in these Business Rules, the decision of RailTel shall be final and binding on all concerned.

11.3 Selection of Winning Bidder

RailTel aims to ensure that it selects two partners (one in each region) while ensuring maximum value. The following procedure would be followed to identify the successful bidder in each region:

1. The bidder getting the highest commercial offer in each region shall be declared as the successful bidder for that respective region.
2. If a bidder has submitted proposals for both the regions i.e. Region 1 and Region 2 and becomes the successful bidder in both the regions, then only one region would be awarded to this successful bidder. The successful bidder for each region would be selected such that option resulting in higher total commitment

Maximum (Total Offer_{Option 1} **OR** Total Offer_{Option 2})

Where,

$\text{Total Offer}_{\text{Option 1}} = \text{Highest Commercial Offer of Region 1} + \text{Second Highest Commercial Offer of Region 2}$

$\text{Total Offer}_{\text{Option 2}} = \text{Highest Commercial Offer of Region 2} + \text{Second Highest Commercial Offer of Region 1}$

The following table hypothetically illustrates the mechanism explained above.

	Total Offer (Region 1)	Total Offer (Region 2)
Bidder 1	2000 Cr	1800 Cr
Bidder 2	1800 Cr	1500 Cr
Bidder 3	1600 Cr	1400 Cr

Total Score_{Option 1} = 3500 = 2000 (Highest in Region 1) + 1500 (Second Highest in Region 2)

Total Score_{Option 2} = 3600 = 1800 (Second Highest in Region 1) + 1800 (Highest in Region 2)

Since option 2 yields to higher commercial offer, region 2 would allocated to bidder 1 and region 1 would be allocated to bidder 2 irrespective of the fact that bidder 1 has obtained the highest score in region 1 also.

2.1. In case $\text{Total Score}_{\text{Option 1}}$ and $\text{Total Score}_{\text{Option 2}}$ are equal, there can be two scenarios. The applicable provision mentioned below would be followed to award regions in such as case:

2.1.1.Scenario 1: Same bidder has the highest Commercial Offer but different commercial offer in both the regions – In such a case, regions would be awarded as per the option in which this successful bidder has lower commercial offer... The ‘other region’ would be awarded to bidder who has the second highest commercial offer in the ‘other region’.

The following table hypothetically illustrates the mechanism explained is point 2.1.1.

	Total Scores (Region 1)	Total Scores (Region 2)
Bidder 1	2000 Cr	1800 Cr

	Total Scores (Region 1)	Total Scores (Region 2)
Bidder 2	1800 Cr	1600 Cr
Bidder 3	1500 Cr	1500 Cr

Total Offer Option 1 = **3600** = 2000 (Highest in Region 1) + 1600 (Second Highest in Region 2)

Total Offer Option 2 = **3600** = 1800 (Second Highest in Region 1) + 1800 (Highest in Region 2)

The regions would be awarded as per option 2 i.e. region 1 to bidder 2 and region 2 to bidder 1 as bidder 1 has a lesser commercial offer in Region 2.

2.1.2.Scenario 2: Same bidder has the highest and same commercial offer in both the region In such as case, the successful bidder would be awarded that region in which it has obtained a higher technical score (out of 100). The ‘other region’ would be awarded to the bidder with second highest score in the ‘other region’.

The following table hypothetically illustrates the mechanism explained is point 2.1.2.

	Total Scores (Region 1)	Total Scores (Region 2)
Bidder 1	2000 Cr (with technical score 88)	2000 Cr (with technical score 86)
Bidder 2	1800 Cr	1800 Cr
Bidder 3	1600 Cr	1500 Cr

Total Offer Option 1 = **3800** = 2000 (Highest in Region 1) + 1800 (Second Highest in Region 2)

Total Offer Option 2 = **3800** = 1800 (Second Highest in Region 1) + 2000 (Highest in Region 2)

Since the bidder 1 who has a higher technical score in Region 1, region 1 would be awarded to bidder 1 and region 2 would be awarded to bidder 2.

12 Appendix 2 - Annexure 27: Compliance Statement

RFP Reference No. RailTel/RFP/OT/CO/DNM/2017-18/RDN/385

Dated: dd/mm/yyyy

To,

Group General Manager/DNM
RailTel Corporation of India Ltd.
Plot No. 143, Institutional Area,
Opposite-Gold Souk,
Sector-44, Gurgaon-122003

Dear Sir,

Sub: RFP no. RailTel/RFP/OT/CO/DNM/2017-18/RDN/385 to Build, Operate and Maintain Railway Display Network dated 17th July 2017.

1. We _____ (name of the company) hereby confirm having submitted our bid for participating in RailTel's RFP dated _____ for _____.
2. We also confirm having read the terms of RFP as well as the Business Rules relating to the Auction for this RFP process.
3. We hereby undertake and agree to abide by all the terms and conditions stipulated by RailTel Corporation of India Ltd. in the RFP document including all annexures and the Business Rules for Auction.
4. We shall participate in the on-line auction conducted by RailTel or through a service provider appointed by RailTel (Auctioneer Company) and submit our commercial bid. We shall also abide by the procedures prescribed for online auction by the auctioneer company.
5. We, hereby confirm that we will honor the Bids placed by us during the auction process, failing which we shall forfeit the Earnest Money Deposit. We also understand that RailTel may debar us from participating in future tenders.
6. We confirm having nominated Mr. _____, designated as _____ of our company to participate in the Auction on behalf of the company. We undertake that the company shall be bound by the bids made by him in Auction.
7. We accordingly authorize RailTel and/ or the auction-company to issue user ID and password to the above named official of the company.
8. Both RailTel and the auction company shall contact the above named official for any and all matters relating to the Auction.
9. We, hereby confirm that we will honor the Bids placed by Mr. _____ on behalf of the company in the auction process, failing which we will forfeit the EMD. We agree and understand that RailTel may debar us from participating in future tenders for any such failure on our part.
10. We undertake to submit the confirmation of last bid price by us to the auction company/RailTel within 48 working hours of the completion of event. We also undertake to submit the Bill of Materials for the HCO (Highest Commercial Offer) in terms of RFP.

Name of Authorized Representative:

Signature of Authorized Representative:

Verified above signature

Place:

Date:

Seal and signature of the bidder

Appendix 3 – Annexure 28: Format for BG for EMD

MODEL BANK GUARANTEE FORMAT FOR FURNISHING EMD

(To be stamped in accordance with stamp Act)

(The non-judicial stamp paper should be in the name of issuing Bank)

B.G. NO. _____

Date of issue _____

Amount (Rs.) _____

Valid upto _____

Claim Amount upto _____

To,

Group General Manager/DNM
RailTel Corporation of India Ltd.
Plot No. 143, Institutional Area,
Opposite-Gold Souk,
Sector-44, Gurgaon-122003

In consideration of the RailTel Indian Corporation Limited, (hereinafter referred as the ‘Owner’, which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having issued a tender no. _____ dated _____ and M/s. _____ (name, Constitution and address) (herein referred to as the Bidder, which expression shall unless repugnant to the context of meaning thereof, include its successors, administrator, executors and assigns) having made a Bid for the above-mentioned tender and the Bidder have agreed to give Earnest Money Deposit of Rs. _____ to abide with the below mentioned condition of the tender:

1. If the Bidder withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of bid.
2. If the Bidder having been notified of the acceptance of his bid by the Owner during the period of its validity:-
 - 2.1. If the Bidder fails to furnish the Performance Security for the due performance of the contract.
 - 2.2. Fails or refuses to accept/execute the contract.

We _____ (name of the Bank) having our Registered Office at _____ and Corporate/Head Office at _____ (hereinafter referred to as the ‘Bank’, which expression shall, unless repugnant to the context or meaning thereof, include the successors, administrators, executors and assigns) do hereby guarantee and undertake to pay at any time up to _____ (day/month/year including claim period) an amount of Rs. _____; to the Owner, within ten (10) calendar days from the date of receipt by us of your first written demand through hand delivery or registered A.D. Post or by speed post or by courier, stating that “Bidder”

has failed to perform its obligations under the Tender. Aforesaid Payment will be made without any demur, reservation, contest, recourse or protest and/or without any reference to the Bidder. Any such demand made by the Owner to the Bank shall be conclusive and binding notwithstanding any difference between the Owner and Bidder or any dispute pending before any court, tribunal or any authority.

The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Owner and further agrees that the guarantee herein contained shall continue to be enforceable till the Owner discharges this guarantee. The owner shall have the fullest liberty, without affecting in any way the liability of the Bank under this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Bidder, and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants, contained or implied, in the Tender between the Owner and the Bidder or any other course of or remedy or security available to the Owner. The Bank shall not be relieved of its obligations under these presents by any exercise by the owner or by any other matters or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank. The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Bidder and notwithstanding any security or other guarantee that the Owner may have in relation to the Bidder's liabilities.

Notwithstanding anything mentioned herein above our liability under this guarantee is restricted to Rs. _____ and it shall remain in force up to and including _____ shall be extended from time to time for such period as may be desired by the Bidder on whose behalf this guarantee has been issued.

WITNESS BANK

Signature _____ Signature _____

Name _____ Name _____

(Bank's Rubber Stamp)

Seal, name & address of the Bank and address of the Branch

Designation with Bank Stamp

Attorney as per Power of Attorney No. _____

Date: _____

Place: