

Draft Documents for discussion on Private Participation in Passenger Trains

7 January 2020

Ministry of Railways and National Institution for Transforming India (NITI) Aayog, Government of India are spearheading participation of private entities in operation of passenger trains on 100 routes. In this respect, a draft of Request for Qualification (RFQ) document, Concession Agreement Guiding Principles, Project Information Memorandum (PIM) along with a Presentation on the salient features of the Project (**Draft Documents**) have been uploaded on the Ministry of Railways website (<http://www.indianrailways.gov.in/railwayboard>).

All stakeholders are requested to review the Draft Documents and provide written comments (if any) by or before January 17, 2020. The comments can be sent in the enclosed format, preferably in electronic form, on the email alokkumar@rites.com.

It is clarified that the Draft Documents are solely for the purposes of discussion with stakeholders on the proposed project. These are not to be construed as an offer or invitation to the prospective applicants or any other person. Further, the information contained herein is neither exhaustive nor final and is subject to change.

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Comments on Draft Documents for discussion on Private Participation in Passenger Trains

Name of the comments/ suggestion provider: _____

Designation: _____ Organization: _____

S.No	Item	Document	Term/Article/Clause	Observations



Indian Railways

Lifeline to the nation...



NITI Aayog

(National Institution for Transforming India)

Government of India

Private Participation: Passenger Trains



December 2019

For Discussion Purposes Only

Disclaimer

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Vision

Objectives of Proposed Engagement



Introduce Modern Technology rolling stock with reduced maintenance

Significantly Reduce Transit Time

World Class Service – Improved User Experience

Capacity Augmentation

Reduce Supply Demand Deficit

Paradigm Shift in Passenger Train Operations for World-Class Service

Market Assessment

Average volume of originating non-suburban passengers	~3.65 bn
Total Reserved Passengers (#, 2017-18)	0.65 bn
Waitlisted Passenger (#, 2017-18)	88.5 mn
Waitlisted Passengers (As %age of reserved)	~15%

- **Huge unmet demand;**
- Capacity constraints lead to loss of passenger business to other modes;
 - <5% reserved segment CAGR vis-a'-vis 13% air traffic growth (2013-18)
- **Tremendous scope for improvement in service quality;**
- Negligible avenues for value added services;

Encourage Modal Shift from Air to Rail

Investment Opportunity

Grant of concession to private players for running passenger trains on:

- **100 paths** bundled into **10-12 clusters**; Entailing ~ 150 Trains;
Indicative Investment of ~Rs. 22,500 crore [Annexure](#)
- Concession Period of **35 years**
- With right to collect **Market Linked Fares**;
- Flexibility for Class Composition and Halts;
- Ability to provide value added/ differentiated customer service
- Procure **Technology Agnostic rakes** (Trainset/Powerhead); Flexibility on source *

*A First of its kind opportunity for private participation in
Passenger Train operations in India*

**Subject to compliance with output based standards & specifications*

Bidding Terms

- Two-stage Bidding Process – RfQ & RfP
- Bidding on cluster basis – Each cluster a project (entailing around 12 rakes)
- Bid Parameter: **Gross Revenue Share**
- Each bidder eligible for award of maximum 3 clusters (*more under pre-defined circumstances*)
 - *Selection of Successful Bidder based on highest revenue share;*
 - *Requirement of matching by other bidders in case of a bidder becomes Highest Bidder in more than 3 clusters;*

[Annexure](#)

2 stage process with Gross Revenue Share as Bid Parameter

Authority Support

- Access to track and signalling network on payment of **Fixed haulage charges pre-specified** in bidding documents
 - *Including terminal, traction, transportation, track maintenance, signalling costs, and overheads*
- Compliance with pre-approved Train Operations Plan
- Access to Depot Site & Washing Line
- Use of concierge services
- Implement a transparent and non-discriminatory system for dispatch and movement of Trains

[Annexure](#)

Fixed, pre-specified Haulage Charge for infrastructure provision by IR

Procurement & Deployment

- Complete responsibility for procurement of entire rake (minimum 16 Coaches a Train) will vest with the Concessionaire
- Scheduled maintenance for first pit examination not before 31 days of the previous scheduled maintenance or a travel of ~40000 kms
 - No examination of train before a travel of ~7000 kms*
- Trains to be prototype tested and ready for Operations as per Project Schedule
 - COD - Deployment of first train on track
 - **Deployment of 100% Trains within 5 years**

Operations to start within 3 years from Appointed Date

Design & validation of Rolling Stock

- Flexibility to procure rolling stock from **source of choice**, subject to compatibility with IR standards.
- **Third-party certification** by Accredited Independent Safety Assessor (ISA)
 - *Applicable till such time as RDSO adopts testing norms defined in UIC 518 or any other internationally accepted standards.*
- Safety certification by IR before each trip based on travel worthiness certified by the Concessionaire

Third party ISA certification acceptable

Operation & Maintenance

- **Complete maintenance of Trains by Concessionaire**
- Deploy Crew (Driver & Guard); Option to second from Indian Railways; Concessionaire to provide training
- Deploy Other Personnel – Trains & Depot
- Procure & install requisite machinery / plants for maintenance
- Accidents:
 - Relief & Restoration by Railways
 - Compensation for claims in respect of loss of life, bodily injury, luggage and goods etc. to be covered under Insurance taken by the Concessionaire

Key Performance Indicators

- **Punctuality** – Delay of not more than 15 mins in departure/ arrival
- **Reliability** – Reduction in Guaranteed Reliability - Mean distance travelled between two Failures
- **Upkeep of the Trains:** Hygiene, Security etc.
- ISO Certification
- Monthly Report on KPI Compliance for each Train
- Damages for non-compliance of KPI – Calculated at a % of Haulage Charges
 - **For delay due to Authority – damages payable by Authority**

Financials

- Concessionaire Revenue:
 - User Fare - Demand, collect and appropriate **Market Linked fare** from users of Trains
 - Charges/fee for other related services
- Concessionaire Payment:
 - Concession Fee: **Gross Revenue Share** (% provided in the bid)
 - Haulage Charges - from the date of commencement of operations; indexed (WPI) every 2 years per a pre-specified formula
- **Termination Payment basis the Adjusted Depreciated Value of rakes** on Concessionaire / Authority Default

Eligibility Criteria

- Eligible applicant may be a - domestic or international entity – **government/private company, fund** etc
- Technical Capacity: Minimum sum of **Rs 2700 crore over last 5 years**
 - Against payments for development or construction of Eligible Projects OR revenue received from Eligible Projects
- Eligible Projects:
 - *Railway Sector & Travel/Tourism under Category 1 & 3;*
 - *Core Sector under Category 2 & 4* [Annexure](#)
- Financial Capacity : **Minimum Net Worth / ACI of Rs 450 crore**

Bidding Timelines

Invitation of Applications under RFQ

Shortlisting based on Technical & Financial Capacity

Invitation of Bids (*Cluster-Specific*) from Shortlisted Applicants under RFP

Selection of successful Bidder for each Cluster

Award of Project

January 2020 (T)

T+60

T+70

T+150

T+ 180

Thank You

Indicative Clusters (1/7)

Mumbai (Cluster 1)

S.No	From	To	Freq	No.of rakes
1	Kalburgi	Panvel	Triweekly	1
2	Panvel	Madgaon	Triweekly	1
3	Panvel	Aurangabad	Biweekly	1
4	Ajni	Panvel	Daily	1
5	Panvel	Chennai	Biweekly	1
6	Pune	Guwahati	Weekly	1
7	Panvel	Manduadih	Daily	3
8	Panvel	Kanpur	Daily	3
			Total	12

Mumbai (Cluster 2)

S.No	From	To	Freq	No.of rakes
1	Mumbai Central	New Delhi	Daily	2
2	Jogeshwari	Tilak Bridge	Daily	2
3	Dadar	Vatva	Daily	1
4	Udhna	Dadar	Daily	1
5	Dadar	Vadodara	Daily	1
6	Bandra (T)	Jaipur	Weekly	1
7	Indore	Okhla	Daily	2
8	Bandra (T)	Akola	Triweekly	1
9	Udhna	Asansol	Weekly	1
			Total	12

Indicative Clusters (2/7)

Mumbai (Cluster 3)

S.No	From	To	Freq	No.of rakes
1	Panvel	Santragachi	Daily	4
2	Hadapsar	Okhla	Daily	3
3	Parel	Shirdi	Triweekly	1
4	Parel	Kolhapur	Weekly	0
5	Habibganj	Hadapsar	Biweekly	1
6	Allahabad	Panvel	Weekly	1
7	Allahabad	Pune	Weekly	1
8	Patna	Hadapsar	Weekly	1
				12

Mumbai (Cluster 4)

S.No	From	To	Freq	No.of rakes
1	Udhna	Manduadih	Weekly	1
2	Udhna	Patna	Weekly	0
3	Indore	Danapur	Triweekly	2
4	Allahabad	Ahmedabad	Weekly	1
5	Kanpur	Bandra (T)	Biweekly	2
6	Gorakhpur	Jogeshwari	Biweekly	2
7	Ajmer	Jogeshwari	Daily	2
8	Sant Hirdaram Nagar	Bandra (T)	Daily	2
			Total	12

Indicative Clusters (3/7)

Delhi (Cluster 1)				
S.No	From	To	Freq	No.of rakes
1	Anand Vihar	Darbhanga	Biweekly	1
2	New Delhi	New Rishikesh	Daily	2
3	Holambi Kalan	Chheharta	6 days	1
4	Holambi Kalan	Chandigarh	Daily	1
5	Anand Vihar	Katra	6 days	2
6	New Delhi	Haridwar	Daily	1
7	Faizabad	Bhatinda	Daily	2
8	Lucknow	Jammu Tawi	6 days	2
			Total	12

Delhi (Cluster 2)				
S.No	From	To	Freq	No.of rakes
1	Okhla	TCTB	Daily	4
2	Chennai	Okhla	Daily	3
3	Tilak Bridge	Gomtinagar	Daily	2
4	Bijwasan	Sabarmati	Daily	2
5	Anand Vihar	Bhagalpur	Weekly	1
			Total	12

Indicative Clusters (4/7)

Delhi (Cluster 3)				
S.No	From	To	Freq	No.of rakes
1	Chandigarh	Sultanpur	Biweekly	1
2	New Delhi	Chandigarh	6 days	1
3	Ambala	Allahabad	Daily	2
4	Kanpur	New Delhi	Daily	1
5	Lalkuan	Delhi	5 days	1
6	New Delhi	Gorakhpur	Biweekly	1
7	New Delhi	Manduadih	Daily	2
8	Shakurbasti	Ajmer	Daily	1
9	Habibganj	Holambi Kalan	Biweekly	1
10	Kota	Nizamuddin	Daily	1
11	Bandra (T)	Jaipur	Weekly	1
12	TCTB	Jaipur	Weekly	1
13	Jaipur	Udhampur	6 days	3
14	Jaipur	Kota	Daily	1
			Total	18

Indicative Clusters (5/7)

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Patna (Cluster 1)				
S.No	From	To	Freq	No.of rakes
1	New Delhi	Patna	Daily	2
2	Gaya	Anand Vihar	Triweekly	1
3	Panvel	Patna	Weekly	1
4	Darbhanga	Jogeshwari	Weekly	1
5	Patliputra	TCTB	5 days	4
6	Gorakhpur	TCTB	Biweekly	2
7	Allahabad	TCTB	Weekly	1
			Total	12
Guwahati (Cluster 1)				
S.No	From	To	Freq	No.of rakes
1	Guwahati	Tilak Bridge	Triweekly	2
2	Katihar	Tilak Bridge	Triweekly	1
3	Kishanganj	Tilak Bridge	Weekly	1
4	Barauni	Anand Vihar	Biweekly	1
5	Kochuveli	Guwahati	Triweekly	3
6	TCTB	Guwahati	Weekly	1
7	Secunderabad	Guwahati	Biweekly	2
8	Habibganj	Agartala	Weekly	1
			Total	12

Indicative Clusters (6/7)

Chennai (Cluster 1)

S.No	From	To	Freq	No.of rakes
1	Tambaram	Madurai	Daily	1
2	Chennai	Charlapalli	Daily	2
3	Tambaram	TCTB	Daily	2
4	Chennai	Coimbatore	Daily	1
5	Tirunelveli	Tambaram	Daily	2
6	Tambaram	Tiruchchirapalli	Daily	1
7	Chennai	Bhagat Ki Kothi	Weekly	1
8	Kanniyakumari	Tambaram	Daily	2
			Total	12

Secunderabad (Cluster 1)

S.No	From	To	Freq	No.of rakes
1	Charlapalli	Srikakulam	Daily	2
2	Lingampalli	Tirupati	Daily	3
3	Guntur	Lingampalli	Daily	0
4	Varanasi	Charlapalli	Weekly	1
5	Charlapalli	Panvel	Weekly	1
6	Vijaywada	Visakhapatnam	Triweekly	1
7	Visakhapatnam	Tirupati	Triweekly	1
8	Shalimar	Charlapalli	Daily	3
			Total	12

Indicative Clusters (7/7)

Howrah (Cluster 1)				
S.No	From	To	Freq	No.of rakes
1	Tatanagar	Shalimar	Daily	1
2	Shalimar	Pune	Weekly	1
3	Howrah	Chennaiu	Daily	3
4	Shalimar	TCTB	Daily	4
5	Hatia	TCTB	Weekly	1
6	Puri	Shalimar	Triweekly	1
7	New Jalpaiguri	Howrah	Weekly	1
8	Howrah	Anand Vihar	Daily	2
9	Howrah	Patna	Daily	1
10	Howrah	Malda Town	Daily	1
11	Sealdah	Guwahati	Biweekly	1
12	Anand Vihar	Chhapra	Biweekly	1
			Total	18

Haulage Charge (For 16 coach train)

Description	Haulage charge (Rs. tkm)
Terminal Cost	152
Traction (includes energy)	158
Transportation	123
Track Maintenance	74
Signalling	27
Overheads	134
Total Cost	668

Eligible projects

Eligible Projects in Category 1 & 3:

- Project/Construction in Railways Sector or Travel & Tourism
- *'railway sector' would include construction or manufacturing of works and equipment in track, overhead electrical equipment, signal, rolling stock, operation of trains, metro system, suburban transit system, high-speed railways and associated projects or businesses;*
- *'travel & tourism sector' comprising airports, ports, hotels, airlines, shipping, travel, tourism and associated projects or businesses*

Eligible Projects in Category 2 & 4:

- Project/Construction in Core Sector
- *Core Sector shall mean highways, power, telecom, industrial parks/estate, logistic parks petroleum & natural gas, pipelines, irrigation, water supply, sewerage and real estate development.*

Eligible projects

Eligible Projects in Category 1 & 2:

For a project to qualify as an Eligible Project under Categories 1 and 2:

(a) It should have been undertaken as (i) a project which has received revenues from operation of trains, airlines, ships, hotels, travel and tourism services etc.; and /or (ii) PPP project on BOT, BOLT, BOO, (b)

the entity claiming experience should have either held or had the power to manage and control a minimum of 26% equity, in the company owning the Eligible Project during the entire year for which Eligible Experience is being claimed;

(c) the capital cost of the project should be more than Rs. 180 crore; and

(d) the entity claiming experience shall, during the last 5 financial years preceding ADD, have (i) paid for development of the project (excluding the cost of land), and/ or (ii) collected and appropriated the revenues from

users availing of non-discriminatory access to or use of project assets,

Eligible projects

Eligible Projects in Category 3 & 4:

For a project to qualify as an Eligible Project under Categories 3 and 4, the Applicant should have paid for procurement of equipment or for execution of its construction works or received payments from its client(s) and only the payments (gross) actually made or received, as the case may be, during such 5 (five) financial years shall qualify for purposes of computing the Experience Score. However, payments/receipts of less than Rs. 180 crore shall not be reckoned as payments/receipts for Eligible Projects.

Award of cluster

- Highest Revenue Share by two Bidders for more than 3 Clusters

	Cluster							
	1	2	3	4	5	6	7	8
Bidder-1	H1	H1	H1	H1				H2
Bidder-2				H2	H1	H1	H1	H1
Bidder-3				H4				H3
Bidder-4				H3				H4
Successful Bidder	1	1	1	AA*	2	2	2	AB*

Bidder-1 and 2 will be first awarded Clusters based on Highest Revenue Share

AA- If Bidder-4 matches Revenue share of Bidder-1 then Successful Bidder will be Bidder-4 else if Bidder-3 matches Bidder-1 then Successful Bidder will be Bidder-3 else Successful Bidder will be Bidder-1.*

AB- If Bidder-3 matches Revenue share of Bidder-2 then Successful Bidder will be Bidder-3 else if Bidder-4 matches the Revenue share of Bidder-2 then Successful Bidder will be Bidder-4 else Successful Bidder will be Bidder-2.*

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