

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

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No.C5/437(113)/2010 -OPD(C)

Corporate Office,
Operations(Commercial Dept.),
Mushirabad, Hyderabad-624.

CIRCULAR NO. 12/2011-OPD(C), Dt.21.03.11

Sub:- CANTEENS:- Licensing the canteens at Bus stations - Issue of Instructions - Reg.

Ref:- Circular No.17/2003-OPD(C), Dt.20.02.03.

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1. INTRODUCTION:

1.0 The corporation constructed 770 Bus stations throughout the State for the convenience of the traveling public. These 770 Bus stations were classified into four classes, viz. Major, A, B and C Classes basing upon the commercial revenue realized from them and potential of the Bus station. There are 22 Major, 17 'A' Class, 235 'B' Class and 496 'C' class Bus stations. In all Bus stations basic amenities like Drinking water, Toilets, seating arrangements, illumination, canteens, stalls/shops, Cycle/Scooter stands, Deluxe Lounges, Cloak Rooms etc. are provided to the passengers. Among all these amenities, canteen is one of the most important and needy amenity to the passengers. Canteens are provided in all Major, A and B Class Bus stations to cater the needs of the en-route passengers and provide them quality food in hygienic conditions as per demand.

1.1 PRESENT SYSTEM OF AWARDING THE LICENCE OF CANTEENS:

The canteens at Bus stations are being licensed out through open tenders on payment of monthly licence fee. The licence period is for 5 years. The licensee of the canteen shall follow the standards as specified by the corporation in the agreement with regard to quality and quantity of the food supplied, utensils, cleanliness etc. The quantity and rates of food items to be sold at canteens are specified by the corporation in the tender schedule and while entering into the agreement. The licensee shall collect the rates as per agreement only from the passengers. These rates will be reviewed for every two years by the Regional Tender Committee. As per locally prevailing market rates, the tender committee will revise the rates of the food items at the canteen.

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2. COMPLAINTS ON CANTEENS

- 2.0** Instructions were issued many times to the field managers to ensure quality food and hygienic conditions at the canteens. But passengers are not at all happy with the food supplied at the Canteens at our Bus stations and frequent complaints are being received with regard to poor quality of food, un-hygienic conditions, cleanliness, higher rates of food items etc.
- 2.1** Due to these complaints from the passengers, the drivers are taking advantage and stopping the buses un-authorisedly at way side dhabas/private hotels. Non stoppage of buses at the Bus stations due to poor quality of canteens is also leading to loss to the business of the licensees of stalls/spaces at the Bus stations which is affecting the commercial revenue being realized from the Bus stations. This is also leading to criticism from the travelling public and the licensees of the canteens are requesting to stop this practice as they are incurring huge losses

3. CONSTITUTION OF THE COMMITTEE ON CANTEENS

In order to study and examine various aspects relating to canteens at the Bus stations and for a best possible solution, a committee was constituted with the officials of APSRTC and hoteliers of reputed hotels. The committee visited the canteens at some prominent places such as Chennai, Bangalore, Vijayawada & Jedcherla. The committee also made detailed deliberations with the Andhra Pradesh Hoteliers Association (APHA) and other reputed hoteliers in the city. After detailed study on the matter, the committee recommended and suggested certain guidelines for effective implementation.

4. RECOMMENDATIONS OF THE COMMITTEE:

4.0 LICENCE PERIOD:

The licence period of the canteens in Major, A and B Class Bus stations shall be for initial period of 7 years and which can be extended by another 3 years based on the satisfactory performance of canteen licensee during the initial 7 years period. Thus the total maximum licence period will be 10 years. For C Class Bus stations, licence period is 5 years as existing now.

Criteria for satisfactory performance of the licensee to extend the contract period beyond 7 years:

While considering the case for extension of the licence period after completion of initial 7 years, it is proposed to take the passengers opinion / feedback into account on the quality and other aspects of the

canteen. The passenger feedback shall be obtained through a joint survey conducted randomly once in a year. 34

4.1 SYSTEM OF AWARDING THE LICENCE OF CANTEENS:

a) The contract of canteens at Major, A and B class Bus stations shall be carried out at two levels namely (i) Short listing of eligible candidates based on stipulated criteria (ii) Financial bidding to decide allotment from among the eligible short listed candidates only (check list of the documents to be submitted along with the tender is at ANNEXURE I).

b) The Dy.EE(Civil) of the Region and A.P.Hoteliers Association representative from the District as Associate Member shall be included in the tender committee for the technical bid evaluation. The commercial offers of those who qualify in the technical evaluation shall only be opened. The criteria for technical evaluation is as below.

The tenderer must be a member of APHA. If the tenderer is not a member of APHA, his/her tender shall be treated as invalid duly refunding the EMD amount paid by him. The tenderer must furnish the proof of membership of APHA along with the tender form. Further the tenderer shall have to furnish the following along with tender form.

Major Bus Stations	-	Rs.50 lakh annual turnover and 5yrs experience in Hotel / Hospitality Industry
'A' Class Bus Stations	-	Rs.30 lakh annual turnover and 3yrs experience in Hotel / Hospitality Industry
'B' Class Bus Stations	-	Nil.

Proforma of qualified Chartered Accountant Audited Returns for assessment of annual turnover is enclosed at ANNEXURE-II.

Note:

- (i) For Major and A Class Bus stations, the bidder shall furnish the average annual turnover of the preceding two years period.
 - (ii) For the ex or existing licensees of canteens at APSRTC Bus stations, the licence period as run by the licensee in preceding 6 years shall be treated as experience.
 - (iii) However the commercial offer of the bidder will be the criteria for allotment once they qualify in the technical bid.
- c) If the highest tenderer backs out or does not take up the licence for whatsoever reasons, the Regional Tender Committee shall forfeit the EMD amount paid by the tenderer.
- d) The Regional Tender Committee shall negotiate with the second highest tenderer to increase the offer only when the highest tenderer backs out from taking up the licence. If second highest tenderer agrees to enhance the offer equivalent to the amount offered by the

~~highest tenderer, or more, the tender committee shall allot the canteen to the second highest tenderer or otherwise call fresh tenders.~~

4.2 EMD AMOUNT

- For the existing canteens, the EMD amount shall be fixed equivalent to 3 months licence fee from the immediate earlier licensee or Rs.5 lakhs whichever is less.
- For the canteens being allotted for the 1st time, EMD amount shall be fixed by the tender committee after due assessment.

4.3 PAYMENT OF LICENCE FEE

The licence fee will be uniform during initial 3 years and will be enhanced by 15% in 4th and 5th years(block) and by 20% in 6th and 7th years(block) over previous year licence fee. Further the licence fee will be enhanced by 25% over 7th year licence fee for the next 3 years block period, i.e.8th, 9th and 10th years. The monthly licence fee shall be collected from the licensee in advance on or before 20th of every month.

4.4 SECURITY DEPOSIT

The licensee shall pay **7 months licence fee** towards security deposit and one month advance licence fee within 15 days from the date of allotment letter. The licensee shall pay the difference of security deposit whenever there is increase in monthly licence fee.

4.5 BANK GUARANTEE

The licensee shall furnish Bank Guarantee equivalent to 4 months licence fee within 15 days from the date of allotment letter. The Bank Guarantee shall be returned back to the licensee after 6 months of initial contract period.

4.6 ENTERING INTO AN AGREEMENT

The licensee shall enter into an agreement duly paying requisite security deposit, Bank guarantee and stamp duty within 15 days from the date of allotment letter without fail. If the tenderer fails to so, the allotment of contract shall be cancelled duly forfeiting the EMD amount paid by him/ her.

4.7 LICENCE FEE HOLIDAY

To facilitate the licensee for providing good ambience, furniture etc. a licence fee holiday period of 2 months(max.) may be given to the licensee from the date of entering into an agreement. However the licensee shall pay the monthly licence fee after completion of two

months irrespective of completion of works to the canteen, commencement of business etc.

4.8 NON-EXCLUSIVE CLAUSE

Corporation has the right to grant licence to more than one licensee to run canteen in the same bus station/premises. The licensee shall not raise any objection over this.

4.9 CIRCULATION OF TENDER NOTIFICATION

When tenders are called for canteen(s) in a Region, the RM concerned shall send the copy of the tender notification to the head office of APHA so that all members of APHA will have the awareness of the tender notification and enable the member hoteliers to participate in the tenders. In addition to sending a copy of the tender notification to the head office of APHA, one copy may also be sent to the concerned district unit of APHA.

4.10 PRICE REVISION OF FOOD STUFFS AT CANTEENS

The licensee will be allowed to revise the rates keeping the business potential, competition and locally prevailing market rates in view. However the licensee shall furnish the rates of the food stuffs sold at the canteens while entering into the agreement and the same shall be recorded in the agreement. The licensee shall inform the rates of the food stuffs whenever he/she revises to the corporation for record purpose.

4.11 QUALITY ENSURING MECHANISM

The ED/Zone shall nominate a committee with Dy.CTM, Dy.EE(C) and PO to exercise checks on the quality of food at canteens of the Region for every two months. The above committee of one region shall inspect the canteens of other neighbouring regions in the Zone. Surprise inspections shall be made. The committee shall submit a report to the RM, Dy.CTM, DM/ATM under whose jurisdiction the canteen exists for taking suitable corrective action besides submitting a copy to the ED/Zone for favour of information. Besides the above committee inspections, the RM shall exercise super checks randomly once in 3 months in all Bus station canteens under his jurisdiction and the ED/Zone once in 4 months in all canteens at Major and A Class Bus stations. The above officials shall also ensure quantity of food, rates of food items, cleanliness and hygienic conditions in the canteens.

5. DIVIDING THE CANTEENS INTO TWO SECTIONS:

- For Major class Bus stations, the licensee shall divide the canteen into i) Premium and ii) Economy sections invariably.
- For A Class Bus stations, the licensee shall divide the canteen into i) Premium and ii) Economy sections as per demand and on the

advise of RM concerned enabling the canteen available to all classes of passengers.

- In Premium section, the licensee shall provide and maintain high standards on par with other reputed hotels in the City/Town with regard to Furniture, Waiters, Toilets and Wash Room etc at his own cost.
- The waiters shall wear uniform which shall be supplied by the licensee at his own cost.
- In Economy section also the licensee shall provide quality food with reasonable rates, neat and tidy premises and other required facilities.

6. FEATURES OF CANTEENS

The following features shall be maintained at the canteens by the contractor during the subsistence of licence period.

1. The premises and surroundings of the canteen shall be kept in clean and tidy condition always and are subject to inspections by the officials of the licensor and the Municipal Authorities.
2. The licensee shall renovate and decorate the canteen allotted for good ambience at his own cost. Any changes that he opts to do shall be done with prior approval of the RM concerned duly obtaining the opinion of Dy.EE(Civil)concerned.
3. The licensee shall set up a hygienic and clean kitchen, storage and cleaning areas with ultra modern stainless steel kitchen equipment and steam cooking range.
4. Utensils:
 - The licensee shall use all utensils of standard quality stainless steel make only for preparation and supply of food stuffs (glasses, plates, jugs, spoons and other kitchen ware).
 - The licensee shall use brass /stainless steel water containers with lids for storage of drinking water.
 - Food items shall be kept in trays covered with wire or nylon thread mesh to avoid flies.
 - Almirahs where food items and other ready to eat food articles are stocked to be fitted with glass doors or wire mesh doors to avoid flies.
5. The licensee shall sell quality food and maintain the quantity as per the standards communicated by the AP State Civil Supplies Corporation in the canteen. The quality of all food stuffs shall be same and uniform for both premium and economy sections. However, at premium section, the licensee shall supply extra side dishes like chutneys, pickles etc.

- 6. Purified and safe drinking water shall be made available in all canteens of all types of Bus stations.
- 7. The price list with quantity of food items shall be exhibited in the canteen at a conspicuous place.
- 8. The licensee shall not use husk or coal as fuel in the canteen. The licensee should use LPG or bio gas in the canteen as fuel.
- 9. The licensee shall insure the canteen structures against fire/damage or any other natural calamities at his own cost.
- 10. Floor of the canteen shall be regularly cleaned and swabbed with cented detergents.
- 11. Furniture in the canteen shall be provided with decolom top which will be convenient for cleaning.
- 12. Drainage lines shall be cleaned regularly to prevent chocking of lines and emitting bad odour.
- 13. Used plates, glasses and other utensils shall be cleaned with hot water and detergent powder.
- 14. Drinking water storage containers and all other utensils shall be cleaned every day before topping with fresh water.
- 15. The licensee shall supply uniforms to the waiters and cleaners and also to ensure that they attend the duties in the uniforms regularly.
- 16. The employees of the corporation shall be given 25% concession on the rates of food stuffs sold in the canteen.
- 17. The licensee shall erect "Glow Sign Board" (each 2) to the canteen in uniform size in consultation with the Bus station Manager /Depot Manager concerned. He can also put directional sign boards (not exceeding 4) at the locations and sizes as decided by RM concerned for the convenience of passengers apart from improving his business.

7. CIVIL WORKS TO BE TAKEN UP BY THE CORPORATION TO THE CANTEENS

- Drainage pipe line with sufficient diameter to avoid over flow and easy maintenance and collection chambers with grills & water supply pipe lines & Toilets.
- Washing Area to be provided with tiles.
- Wherever necessary tile flooring and wall cladding with tiles to be provided.
- Painting works to be taken up periodically.
- Necessary electrical points & fixtures (tube lights only) to be provided. Pipelines for supply of Gas to be provided.
- Wherever feasible additional entry from outside can be provided.
- Additional space if provided shall be on pro-rata basis.

8. WORKS TO BE TAKEN UP BY THE CONTRACTOR

- Construction of stalls & necessary partitions with Aluminium.
- Separate walls for AC rooms etc.
- Any decorative works.
- Furniture.
- Drinking Water supply arrangements.

9. GENERAL INSTRUCTIONS

- i) All the above instructions shall be implemented for allotment of canteens at Major, A and B Class Bus stations only with prospective effect.
- ii) In case of 'C' Class Bus stations, the existing procedure for calling tenders for allotment of canteens shall be continued.
- iii) For stoppage of buses at Private Hotels/Dhabas, the existing procedure of calling tenders shall be followed.
- iv) All other instructions in the circular cited at reference and other relevant guidelines issued from time to time hold good.

10. CONCLUSION

The RMs are advised to implement this revised system for allotting the canteens at Major, A and B Class Bus stations with prospective effect. It is expected that the canteens are allotted to such hotelier who maintains standards upto the mark as specified by the corporation and provide the passengers good quality food in hygienic conditions at reasonable rates.

Please acknowledge.

Encl: ANNEXURES I & II.


22/3/2011
VICE CHAIRMAN &
MANAGING DIRECTOR

To
All Officers of the corporation.

CHECK LIST OF DOCUMENTS TO BE SUBMITTED:

S.No.	Technical Criteria	Please Tick
1	Earnest Money Deposit (EMD) - Rs. Lakh, through Demand Draft favouring APSRTC payable at Hyderabad.	
2	In case of Company - Memorandum and Articles of Association along with certificates of incorporation, and date of commencement of business etc.	
3	In case of Firm, registered under the Partnership Act, 1932 - List of partners along with certificate of registration, details of their business and partnership deed etc., duly attested by Notary.	
4	Previous dealings of the applicant with APSRTC, if any	
5	Proof of minimum of no. years of experience in the field of Catering/hospitality business.	
6	Copy of the Income Tax Return of last two completed financial years	
7	Food license/PFA Registration dating more than two years	
8	Permanent Account Number(PAN)/TIN Number	

TECHNICAL OFFER FOR RUNNING CANTEENS IN APSRTC BUS STATIONS:

S.No.	Technical criteria	Details (to be filled by the bidder)	Page Nos.
1	Name and full address of the bidder with Telephone & Fax Number(s) and contact person.		
2	Details of Earnest Money Deposit(EMD) - Rs.----Lakh, through DD in favour of APSRTC payable at Hyderabad.		
3	Status of the bidder: Company / Partnership Firm/Individual - Please specify		
4	In case of Company - Please enclose Memorandum and Articles of Association along with certificates of incorporation and date of commencement of business etc.		
5	In case of Firm, registered under the Partnership Act,1932 - Please enclose details of partners along with certificate of registration, details of their business and partnership deed etc., duly attested by Notary.		
6	Details of existing catering establishments		

7	Minimum annual turnover of Rs.---- Lakhs, in catering/hospitality and F&B services related business. Enclose balance sheet and profit & loss account of last 2 completed financial years, duly audited by a Chartered Accountant/Published Annual Report.		
8	Number of years(preceding) of experience in the field of catering/hospitality business. Enclose documentary evidence such as IT Returns, VAT/ST Return, PFA certificate, CA certificate balance sheet etc.		
9	Existing/Present canteen of the bidder over APSRTC - Certificate of Unit Officer.		
10	Copy of the Income Tax Return of last two completed financial years be enclosed.		
11	Permanent Account Number(PAN)/TIN Number		
12	Certificate of Breakup of sales turn over duly certified by the Chartered Accountant		
13	Copy of ESI & EPF Registration.		

Certificate of break-up of Sales turnover duly certified by Chartered Accountant

Letter Head of Chartered Accountant

(The Certificate must be issued by Chartered Accountant who has audited the books of Accounts of the Applicant)

This is to certify that the break-up of sales of M/s ----- having its office at ----- for the year ended on -----.

SNo	Particulars	Nature of activity	Details	Amount (in Rs.)
1	Sales/Turnover from catering business	catering	Static Units (Name of the Unit to be mentioned)	
	Total(1)			
2	Sales/Turnover from Hospitality Business (Please specify the nature of business activity)		Specify description	
	Total(2)			
3	Sales from Trading / Manufacturing in Food and Beverage business (please specify the nature of business activity)	As Manufacturer	Specify description	
		As Stockiest / Distributor /Trader /Retailer	Specify description	
	Total(3)			
	Grand Total(1+2f+3). (The Grand Total of the sales must tally with the sales figure reported in the Audited Profit & Loss Account)			

Note: 1) Tenders not accompanied with the above certificate may be rejected.

2) Business Turnover from other than catering activity will not be considered for the purpose of eligibility for Annual Turnover.

Signature of the Chartered Accountant /
Name of the Chartered Accountant/
Name of the firm/Seal/Membership No.