

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.C5/243(211)/2002-OPD(C)

Corporate Office,  
Operations (Commercial) Department,  
Mushirabad, Hyderabad - 20.

**CIRCULAR No.17/2003-OPD(C), Dated 20-02-2003**

Sub: **LICENSING** - Allotment of Canteens, Stalls/ Shops, Space/Office accommodation, Cycle/Scooter Stands, Telephone Booths in Bus Stations and Corporation premises on payment of monthly licence fee - Revision of licence period - Instructions issued - Regarding.

- Ref:
1. Circular No.64/96-OPD(C), dated. 10-10-1996.
  2. Circular No.21/99-OPD(C), dated. 30-03-1999.
  3. Circular No.22/2001-OPD(C), dated. 27-04-2001.
  4. Circular No.45/2001-OPD(C), dated. 13-09-2001.
  5. Circular No.6/2002-OPD(C), dated. 04-02-2002.
  6. Circular No.25/2002-OPD(C), dated. 16-05-2002.
  7. Circular No.31/2002-OPD(C), dated. 18-05-2002.
  8. Circular No.32/2002-OPD(C), dated. 18-05-2002.
  9. Circular No.63/2002-OPD(C), dated. 21-09-2002.
  10. Circular No.89/2002-OPD(C), dated. 30-12-2002.
  11. Circular No.12/2003-OPD(C), dated. 13-02-2003.
  12. Circular No.13/2003-OPD(C), dated. 13-02-2003.
  13. Board Resolution No.08/2003, dated.25-01-2003.

Comprehensive guidelines were issued on allotment of Canteens, Stalls/ Shops, Space/Office accommodation, Cycle/ Scooter stands, Telephone Booths in Bus Stations and Corporation premises, periodical enhancement of licence fee etc., vide circulars cited above.

But, at many Bus Stations, a good number of Canteens, Stalls, are lying vacant due to various reasons, resulting in loss of licence fee to Corporation. Relatively shorter tenure of licence period for Canteens, Stalls/Shops, is said to be one of the factors discouraging the business people from participating in the tenders.

Corporation Board vide resolution No. 08/2003, dated:25-01-2003, has resolved to revise the licence period of Canteens, Stalls, Cycle/Scooter Stands etc., and authorised the Managing Director to issue subsidiary instructions/ guidelines on constitution of Tender Committee, Security deposit, Licence fee, fixation of EMD, cost of tender form, on allotment of Canteens, Stalls, etc., in Bus stations.

In pursuance of the Corporation Board resolution referred above, the following revised instructions are issued.

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**I. LICENCE PERIOD OF CANTEENS, STALLS/SHOPS, SPACE/OFFICE ACCOMMODATION, TELEPHONE BOOTHS:**

- i) The licence period of Canteens, Stalls/ Shops, Space/ Office accommodation, Telephone Booths shall be SIX years.
- ii) The licence fee during the 3 years shall be the same as quoted in the tender or as agreed to be paid by the tenderer during negotiations with the Tender Committee.
- iii) The licence fee shall be increased by 10% in 4th year, 15% in 5th year and 15% in 6th year of licence over the licence fee payable in 3rd, 4th & 5th year of licence respectively.
- iv) An agreement shall be entered into with the successful tenderer for SIX year licence period.

**II. LICENCE PERIOD OF CYCLE/SCOOTER STANDS:**

- i) The licence period of Cycle/Scooter stand shall be four years only.
- ii) The licence fee shall be the same during initial TWO years licence period, as quoted in the tender/ or as agreed to pay by the tenderer during the negotiations with the Tender Committee.
- iii) The licence fee shall be increased by 10% in 3rd year and 15% in 4th year of licence over the licence fee payable in 2nd and 3rd year of licence respectively.

An agreement shall be entered into with successful tenderer of Cycle/ Scooter Stands for a period of FOUR years.

**MINIMUM PERIOD OF DOING BUSINESS:**

The licensee of Canteen, Dormitory, Stall/ Shop, Space/Office accommodation, Telephone Booth has to carry on the business for a period of 6 years and the licensee of Cycle/ Scooter stand has to run the business for a period of 4 years. If the licensee desires to vacate the premises for whatsoever reasons before completion of licence period of 6 years/ 4 years as the case may be, the licensee has to pay the balance amount which falls short of the amount equivalent to stipulated licence period.

**III. CONSTITUTION OF TENDER COMMITTEE:**

A Tender Committee shall be constituted with the following officials for each division:

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| 1) Divisional Manager   | .... Chairman |
| 2) Depot Manager of Divisional Headquarters depot               | .... Member   |
| 3) Dy.Chief Accounts Officer/<br>Accounts Officer of the Region | .... Member   |

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The Personnel Officer of the Region shall get the list of vacant Canteens, Stalls/Shops, Space/Office accommodation, Cycle/ Scooter stands etc., from the Divisional Managers and Depot Managers, obtain the approval of Regional Manager concerned for publication of Tender Notification.

This process shall be commenced atleast three months before expiry of licence period of the Canteens, Stalls/ Shops etc.

The Regional Manager shall arrange to send the Tender Notification indicating the date of publication of the tender notification to Public Relations Officer of Corporate Office who inturn shall take action to publish in three daily news papers i.e., English, Telugu & Urdu.

Tenders shall be opened in the office of the Divisional Manager located in Regional Headquarters, if there is more than one division in the Region.

In the Tender Notification, the nature of business to be carried out shall be indicated against each Stall/Shop. The terms like "**Any permitted business/ statutory business**" shall not be mentioned in the Tender Notification. In otherwords, the nature of business to be carried out in each Stall/Shop shall invariably be specified in the Tender Notification.

The area of the Stall/Shop/Space/ Office accommodation/ Cycle Stand/ Scooter Stand shall also be mentioned in the tender notification itself.

Before calling tenders for allotment of Canteens, Stalls/Shops, it must be ensured that the Canteen, Stall/Shop is in fit condition for immediate commencement of the business by the allottee. No representations shall be entertained from the allottees of Canteens, Stalls/Shops, Office accommodation for renovation/modification of Canteens, Stalls/Shops, Office accommodation etc.

#### **IV. FIXATION OF E.M.D:**

The EMD in respect of each Canteen, Stall/Shop etc., shall be specified in the Tender Notification.

Fixation of EMD shall be as follows:

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#### **1. MAJOR, A, B, & C CLASS BUS STATIONS:**

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| 1) | Fixation of EMD for the Canteens/ dormitories, Stalls shops, space/office accommodation, Cycle/Scooter Stands in the existing Bus Stations. | Four months licence fee realised from the immediate earlier licensee.<br>OR<br>Rupees 5 lakhs, which ever is less. |
| 2) | For the Canteens/dormitories, Stalls/ Shops, Office accommodation being allotted for the first time.  | The EMD shall be fixed by the Tender Committee after due assessment.   |
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**2. MANDAL BUS STATIONS**

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| 1) | For the Canteens, Stalls/<br>Shops Space/Office accommo-<br>dation, Cycle/Scooter Stands | Two months licence fee realised<br>from the immediate earlier<br>licensee<br><br>OR<br>Rupees Four hundred, which ever<br>is less. |
| 2) | For the Canteens, Stalls/Shops,<br>Office accommodation<br>Cycle/Scooter Stands etc.,    | The EMD shall be fixed by<br>the Tender Committee after due<br>assessment.<br><br>OR<br>Rupees Four hundred which<br>ever is less. |
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The EMD shall be in the form of demand draft obtained from any Nationalised Bank located in the State of Andhra Pradesh in favour of Dy.CAO/AO of the Region, as the case may be.

The EMD of the tenderer shall be forfeited under the following circumstances.

- (a) When the tenderer backs out from payment of Security deposit within Seven days from the date of receipt of allotment letter or Fifteen days from the date of allotment letter which ever is earlier.
- (b) When the EMD paid is less than what is stipulated in the tender.
- (c) When the EMD is paid through other means i.e., in a manner other than what is stipulated in the Tender Notification.
- (d) When incomplete tender form is submitted or tender form with pre-conditions or additional conditions is submitted.
- (e) When the tender is submitted in an un-concerned tender form.
- (f) When the tender is submitted for the business other than that notified in the tender notification.
- (g) When the tender is submitted by minors/ or on behalf of minors. The EMD of the tenderer shall be forfeited with the approval of Executive Director of Zone concerned.

**V. FINALISATION OF TENDERS BY THE DIVISIONAL TENDER COMMITTEE:**

- 1) The Divisional Tender Committee should meet and finalise the tenders on the date of opening of tenders itself duly following the instructions communicated vide Circular No.21/99-OPD(C), dated.30-03-1999 and Cir.No.31/2002-OPD(C), dated.18-05-2002.

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- 2) The Divisional Tender Committee shall negotiate with the **highest tenderer only**, to increase the licence fee. The negotiations should be held either on the date of opening of tenders or the date for negotiations should be announced then and there itself, which should not be beyond one week.
- 3) If the highest tenderer backs out or does not take up the licence for whatsoever reasons, the Tender Committee shall forfeit the EMD paid by the tenderer.
- 4) The 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 the 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 Stall/Shop etc., to the second highest tenderer.
- 5) The entire process of opening tenders and allotment of stalls shall be completed in a month's time from the date of publication of Tender Notification.
- 6) When there is no response/poor response to the tenders called for the first time, tenders have to be called for the second time within a week's time.

#### **VI. APPROVAL OF THE TENDER COMMITTEE PROCEEDINGS:**

The Divisional Tender Committee shall send its proceedings/recommendations on allotment of Canteens, Stalls/Shops, Space etc., to the Regional Manager concerned, for approval within a week from the date of opening of tenders. The proceedings shall be stall wise and the proceedings shall contain previous history of the stall, licence fee realised earlier, date from which the stall is vacant, dates on which tenders were called and offers received in each tender together with the justification for allotment.

On receipt of Divisional Tender Committee proceedings, the Regional Manager shall communicate approval or disapproval, as the case may be within FIVE days.

The Personnel Officer of the Region shall issue allotment letters within three days from the date of approval of Regional Manager and shall collect Security deposit and one month advance licence fee from the successful tenderers and communicate the necessary instructions to the Depot Managers/ Divisional Managers concerned for handing over of the Canteens, Stalls/Shops etc.

**The Personnel Officer of the Region shall be the custodian of all the records dealing with allotment of Canteens, Stalls/ Shops etc., through tenders, at Regional level.**

**VII. SECURITY DEPOSIT:**

- i) The Security deposit shall be collected from the allottee/successful tenderer equivalent to six months licence fee, within SEVEN days from the date of receipt of allotment letter or within FIFTEEN days from the date of issue of allotment letter which ever is earlier.
- ii) The security deposit shall not carry any interest.
- iii) The Security deposit is refundable only after completion of licence period. Security deposit will not be adjusted towards the licene fee payable by the licensee during the licence period.
- iv) The difference of Security deposit shall be collected at the commencement of IV, V & VI year of licence in respect of Canteens/ Stalls whose licence period is six years, and at the commencement of III & IV year in respect of Cycle/ Scooter stands, the licence period of which is only four years.
- v) The Security deposit of licensees of Canteens, Stalls/Shops etc shall be refunded only after removal/dismantling additional structures constructed by them for their use, if any. In case the licensees, vacate the premises without dismantling/ removing the additional structures, the cost of dismantling/ removing the additional structures shall be adjusted out of the security deposit and the balance shall be refunded.

The Security deposit is liable for forfeiture in the event of failure by the licensee to pay the licence fee or termination of licence or for breach of any condition/conditions of licence.

**VIII. DEED OF LICENCE:**

The Divisional Manager concerned shall enter into an agreement with the successful tenderer. No other person is authorised to enter into an agreement on behalf of the Divisional Manager. The agreement shall be entered on a non-judicial stamp paper worth Rs.100/-, which has to be procured by the tenderer/allottee.

The successful tenderer shall enter into an agreement within FIFTEEN days from the date of issue of allotment order or seven days from the receipt of allotment order by paying security deposit and one month advance licence fee.

**IX. TERMINATION OF LICENCE:**

The licence is liable for termination on the following grounds:-

- 1) If the licensee defaults in payment of licence fee for three months consecutively or three times in a calendar year.

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- 2) If the licensee fails to do business in the stall for a continuous period of NINETY (90) days.
- 3) If the licensee is found encroached into the platforms, area meant for passenger movement, or any other Stall/Shop.
- 4) If the licensee sells other items or performs other business, other than the specified in tender notification or as recorded in the deed of licence.
- 5) For breach of terms and conditions of deed of licence.

**X. COLLECTION OF LICENCE FEE, ELECTRICITY & WATER CHARGES:**

- (a) The licence fee has to be collected on or before 10th day of every month. In case of belated payments of monthly licence fee, electricity and water charges, penalty @ 36% per annum on the amount due shall be collected.
- (b) The electricity charges have to be collected as per sub-metre reading and as per the tariff or as decided by the Tender Committee in accordance with the instructions issued from time to time.
- (c) In case water is provided to any of the licensees, water charges shall be fixed by the Tender Committee and ensure collection of the same from the licensee regularly.
- (d) All Electrical Sub-meters of Stalls/Shops shall have to be fitted at Station Manager's Room in a mesh Box (sealed) under lock and key custody. The Sub-meters should be of Electrical Digital Proof, procured at the cost of the licensee.
- (e) In case of licensees of Canteens, who have allowed to dig Bore-wells at their cost, the electrical charges for the power consumed by the Bore wells shall be collected without fail.
- (f) In respect of Dormitory, Deluxe Lounge, Cloack Room, Cycle/Scooter stands etc., the charges to be collected by the licensee from the customers shall be fixed by the Divisional Tender Committee, duly taking into consideration the prevailing local rates and the same should be recorded in the deed of licence.

**XI. LOCAL TENDERS:**

In case, there is no response to the tenders called for second time also for allotment of Stalls/Shops etc., in "B" class, "C" class and Mandal bus stations, the Divisional Tender Committee shall take action for display of tender notification at prominent places like., (a) Bus Stations (b) DM's Offices (c) Municipal/Gram Panchayat/Mandal Offices inviting tenders from local business people. The notification shall be displayed for a minimum period of seven days. On receipt of tenders, the Tender Committee shall negotiate with the highest tenderer to increase the licence fee and if the Tender Committee satisfies that the amount

offered is reasonable, action shall be taken for allotment of the Stalls/Shops etc., for a period of TWO years only by obtaining approval of the Executive Director of the Zone. This process shall be completed within THIRTY days from the date of opening of local tenders.

However, these instructions do not apply in respect of major and 'A' class Bus Stations.

**There shall be no allotment on nomination basis without calling for public tenders.**

**XII. NON-EXCLUSIVE CLAUSE:**

The allotment of Canteens, Stalls/ Shops, Space/Office accommodation, Cycle/Scooter stands etc., shall be on "Non-Exclusive Basis" i.e., the Corporation shall have right to grant licence to more than one licensee to do same type of business in the same Bus station/premises. This clause shall be incorporated in the terms and conditions of the tender notification.

**XIII. SUB-STALLS / OUT-LETS:**

Permission shall not be accorded to any licensee to open sub-stalls/outlets under any circumstances for whatsoever reasons.

**XIV. HAWKERS:**

The licensees of Canteen, Stalls/Shops etc., shall not be permitted to engage HAWKERS under any circumstances for whatsoever reasons.

**XV. CHANGE OF NATURE OF BUSINESS:**

The licensee has to do the same business which is mentioned in the tender notification and for which licence is issued. The representations for change of nature of business by any licensee shall not be entertained. If any licensee is found doing business in the Stall/Shop etc., other than the stipulated in the deed of licence, the licence is liable for termination duly forfeiting the security deposit.

**XVI. CONFINEMENT TO THE AREA OF STALLS/SHOPS/SPACE ALLOTTED:**

The licensee has to perform the business by confining to the extent of space, stall/shop allotted as mentioned in the tender notification or as recorded in the deed of licence. There should not be any encroachment of platforms, area of other stall/shop by the licensee, under any circumstances.

If any licensee encroaches the platforms, area meant for passengers movement or area of other stall/shop, the licensee is liable for payment of penalty as furnished hereunder:.



Sl. No.	Type of Bus Station	Amount of Penalty to be imposed
1.	Major and 'A' Class	Rs.1,000/- on each occasion
2.	'B' Class	Rs. 500/- on each occasion
3.	Other Bus Stations	Rs. 200/- on each occasion

If the licensee is habituated for encroachment, licence is liable for termination by serving a notice.

**XVII. APPLICABILITY OF REVISED INSTRUCTIONS:**

The revised guidelines shall come into force w.e.f. 01-03-2003 and they should be implemented prospectively. In other words, the revised guidelines/instructions are applicable to the allotments to be made basing on the tender notifications published on or after 01-03-2003. In respect of allotments made basing on the tender notifications published prior to 01-03-2003, the old instructions shall hold good.

The instructions communicated vide circulars cited at 1 to 12 under reference are deemed to have been modified to the extent indicated above and the other instructions shall remain un-changed.

The above instructions are also applicable to the Stalls/ Shops earmarked/reserved for SC/ST/PEBC persons both in Scheduled and Non-scheduled areas as communicated vide circular No.13/2003-OPD(C), dated. 13-02-2003.

All the Regional Managers, Divisional Managers and Depot Managers are advised to follow above guidelines scrupulously without any deviation.

Please acknowledge.

  
VICE-CHAIRMAN &  
MANAGING DIRECTOR

To  
All Regional Managers,  
A.P.S.R.T.C.

Copy to: Executive Directors of Zones for information and necessary action.  
Copy to: All Divisional Managers for information & necessary action.  
Copy to: All Depot Managers for information & necessary action.  
Copy to: Asst.Traffic Managers in Bus Stations for information & necessary action.