

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

Lr.No.C5/437(25)/2012-OPD(C)

O/o VC & MD,
Bus Bhavan, Musheerabad,
Hyderabad-624.

CIRCULAR No. 14/2012-OPD(C), Dt. 03.04.2012

Sub: LICENSING:- Tenders procedures for allotment of canteens/stalls/open spaces etc. at Bus stations - Certain guidelines to be followed while calling and finalisation of the tenders - Reg.

- Ref:- 1. Cir No:17/2003-OPD(C), Dt.20.02.03.
2. Cir No.46/2004-OPD(C), Dt.06.10.04.
3. Lr.No.C5/437(Gen)/2004-OPD(C), Dt.16.12.04.

Through the circulars 1,2 and 3 cited above, guidelines were issued with respect to fixation of EMD amount, negotiating with the 1st and 2nd highest bidders, collection of security deposit, entering into agreement, licence period of the contract etc. while calling and finalization of the tenders for allotment of Canteens/Stalls/Spaces etc. at the Bus stations:

Of late, the following instances have come to the notice of this office

1. The successful bidders are backing out intentionally from taking up the contract giving scope for extension of the existing contract for a further period, i.e. upto finalization of next tenders.
2. Representations from the successful bidders of the open spaces of various Bus stations seeking more time for erection of temporary structures and commencement of business.

After examining the above issue in detail, it is decided to issue revised instructions on the following issues for strict implementation while calling and finalization of the tenders.

I. FINALISATION OF THE TENDERS WHEN THE 1st HIGHEST BIDDER BACKS OUT FROM TAKING UP THE CONTRACT:

- a. Whenever the 1st highest bidder backs out from taking up the contract, the 2nd highest bidder shall be called for negotiations and shall be requested to match his offer to that of the 1st highest bidder.
- b. If the 2nd highest bidder expresses inability to match his offer to that of the 1st highest bidder, the tender committee shall negotiate for reasonable enhancement over his initial offer and the contract may be allotted subject to the condition that the offer is at least 25% more than the existing licence fee being realised from that particular stall. The tender committee shall also satisfy itself before allotment that the offer is reasonable and there is no scope for getting better offer than the offer of the 2nd highest bidder.
- c. In case, the 2nd highest bidder also backs out from taking up the contract, the 3rd highest bidder shall be given an opportunity:
- d. In such case, the 3rd highest bidder shall be negotiated for matching his offer to that of the 1st highest bidder. If the 3rd highest bidder expresses inability to match his offer to that of the 1st highest bidder, the tender committee shall negotiate for reasonable enhancement over his initial offer and the contract may be allotted subject to the condition that the offer is at least 25% more than the existing licence fee being realised from that particular stall. The tender committee shall also satisfy itself before allotment that the offer is reasonable and there is no scope for getting better offer than the offer of the 3rd highest bidder.
- e. As per the existing guidelines, the 1st highest tenderer will be treated as backed out when he fails to pay the security deposit and one month advance licence fee within 15 days from the date of allotment letter. Therefore the process of ensuring the 1st highest bidder backed out from taking up the contract, issue of cancellation of allotment, forfeiture of EMD amount shall be completed within 30 days from the date of allotment letter.

II. ALLOTMENT OF OPEN SPACES:

- i) The licensees of **open spaces** (covered/uncovered with 4 or 5 years licence period) shall be given licence fee holiday **(on the request of the licensee only)** upto a maximum period of one month from the date of commencement of licence period.

Note:- The existing guidelines on the date of commencement of licence period stands good, i.e the licence period shall commence on 31st day from the date of issue of allotment letter.


- ii) The licence fee shall be collected from the second(2nd) month onwards or from the date of commencement of the business whichever is earlier.

III. FIXATION OF EMD:

SNo	Type of the Bus station	Item	Fixation of EMD AMOUNT
1	Major, A, B & C Class Bus stations	For existing canteens, cycle/scooter stands at the Bus stations	Six(6) months licence fee realized from the immediate earlier licensee or Rs.10 lakhs whichever is less

Note: The existing circular instructions holds good for fixation of EMD for other stalls, shops, dormitories, space/office accommodation and for the stalls/spaces licensed out for the 1st time.

The field managers are advised to make a note of these instructions and incorporate the same in the tender terms and conditions appropriately and ensure strict implementation while calling and finalizing the tenders.


EXECUTIVE DIRECTOR (O, MIS & AM)

Copy to: All Officers of the Corporation.