

**Government of India(Bharat Sarkar)
Ministry of Railways(Rail Mantralaya)
(Railway Board)**

No.97/TGIV/35/Policy

New Delhi, dated 10 .11.06

**The General Managers
All Zonal Railways**

(Commercial Circular No. 89 of 2006)


Sub.: Policy for Retiring Rooms/Dormitories.

With a view to provide improved passenger amenities at railway stations by utilising the available resources to its full potential, Ministry of Railways have decided to upgrade the Retiring Rooms including dormitories under Renovation/Rehabilitation, Operation and Transfer (ROT) Scheme through Public Private Participation (PPP). Accordingly, detailed policy guidelines to be followed on the subject matter are enclosed. This supercedes all earlier policy guidelines on this subject. It is desired that action may be taken accordingly under intimation to all concerned.

This issues with the concurrence of the L & A and Finance Directorates of the Ministry of Railways.

Kindly acknowledge receipt of the letter.

DA: As above


(H. V. Sharma)
**Executive Director Passenger Marketing
Railway Board**

No. 97/TGIV/35/Policy

N. Delhi, dated 10.11.06

Copy to:

1. FA&CAOs, All Zonal Railways
2. Principal Director of Audit, All Zonal Railways.

 
For Financial Commissioner Railways

Copy to:

1. Chief Commercial Managers, All Zonal Railways.
2. Principal Chief Engineers, All Zonal Railways.

1. INTRODUCTION:

Indian Railways have a vast network covering 8055 stations, 10000 trains run daily transporting about 16 million passengers everyday. Depending on the earnings from passenger traffic, the stations are divided into 7 categories viz. A-1, A, B, C, D, E and F. Retiring Rooms and dormitories at railway stations have been provided to cater to the lodging requirements of the passengers.

At present there are about 2000 retiring rooms and dormitories spread over 490 stations on Indian Railways. To improve the facilities, it has been decided to upgrade the Retiring Rooms including dormitories with the participation of private parties. The upgradation can be done on Renovate/Rehabilitate, Operate and Transfer (ROT) basis. The parties would renovate the existing retiring rooms and dormitories, or construct new ones as the case may be, operate it for a fixed period as per agreement and transfer it to the railways after completion of the agreement. The objective of this exercise is to improve the condition of the Retiring Rooms/Dormitories, improve the service standards, use the available resources profitably and increase our revenues. The most important objective is to improve the image of the railways.

2. AMENITIES TO BE PROVIDED:

2.1 COMPULSORY AMENITIES:

- ◆ Reasonably well furnished and well lit lounge/lobby commensurate with the size of the Retiring Room Complex.
- ◆ Rooms/dormitories should be well furnished with proper upholstery matching the get up of the room. At least 25% of the rooms, subject to a minimum of one room, should be air-conditioned.
- ◆ Bathrooms should be attached, well laid out, spacious and aesthetically designed with all the modern facilities including provision for running hot and cold water.
- ◆ Reception facility with telephone and attended by qualified and experienced staff.
- ◆ Television in rooms with cable connection.
- ◆ Provision of Air Coolers if Air conditioners are not provided.
- ◆ Provision of room heaters.
- ◆ Electrical sockets for lap-tops and mobile charging.
- ◆ Arrangement of meals/snacks/tea/coffee as part of room service. There can be room delivery contract with reputed caterers or restaurant chains.
- ◆ Telephone booth.
- ◆ The RR should provide facility of room service with each room having a telephone connected with room service.
- ◆ Fire fighting arrangement.
- ◆ Provision of laundry services.
- ◆ Mini cloak room.

2.2. DESIRABLE AMENITIES:

- ✦ A small outlet for sale of day to day toiletries.
- ✦ Shoe shining machine.
- ✦ Internet facilities on payment.
- ✦ Tie up with local travel agencies for arranging transport for the passengers.
- ✦ Tie up with local hospitals in case medical aid is required by passengers.

- 2.3 Retiring Rooms/Dormitories** are to be provided for the use of **beaside railway passengers**. To ensure the same, name, address, ticket number/PNR number of tickets of the occupants should be entered in a register maintained for this purpose by the Contractor.

3. UPGADATION OF RETIRING ROOMS/DORMITORIES:

Designing/redesigning of railway rooms should be left to the contractor subject to parameters defined by the Railways. The aim should be to improve architecture and make innovative use of space. The Contractors can be allowed to do alterations in the plan of existing Retiring Room complex if required without affecting the structural and load bearing members of the building. They should be asked to prepare a plan along with the proposed changes in the plan for scrutiny of the Railways. They can be given the liberty to increase or decrease the size of the rooms and also add new rooms, construct lounge, reception, telephone booth, recreation room etc. if the same is possible within the existing built up area. The proposed plan must be approved by a registered architect and a Civil Engineer, who will certify that the proposed changes meet the requisite design specifications. This should be approved by the Engineer-in-charge of the Railways. The Engineer-in-Charge of the Railways shall provide a site plan demarcating the area covered under the proposed contract.

The upgradation/renovation should be undertaken in stages so that some rooms are always available for the passengers.

Guidelines for renovation/construction of Retiring Rooms/Dormitories (RRs):

- The carpet area of each room should be a minimum of 12 sq. m for a double bedded room and that of the bathroom 3 sq.m.
- All rooms should be properly ventilated, should have all necessary items of furniture and these should be clean and comfortable.
- All the bedrooms should have attached bathrooms with showers.
- All the bathrooms should have 24-hour supply of running cold water with adequate supply of hot water, toilet paper, toiletries and socket for electric shaver.
- Floors and dado of bathrooms should be of impervious material of good design and workmanship; good quality designer ceramic tiles/marble/granite may be used.
- All the bathrooms should have a minimum height of 2.13 m.
- Lighting arrangements and fixtures in all rooms/bathrooms/public rooms/corridors etc. should be of a good standard.

In case of failure of the Contractor to complete the work within the stipulated period, attributable to causes within his control, he shall be liable to pay penalty as per stipulated terms and conditions in the agreement. The decision of Railways in this regard will be final and binding upon him.

4. OPERATION AND MAINTENANCE:

The Contractor shall operate and maintain the retiring room complex to the entire satisfaction of the Railways. Toilets, floors, walls and ceilings of the interior as well as exterior of the complex should be cleaned. Regular inspections will be conducted by the Railways to ensure that high quality of service is provided.

In order to achieve optimum standards of cleanliness, a cleaning schedule should also be worked out by the Contractor. The bed sheets and blanket covers should be washed after every use and blankets dry cleaned every two months. The cleaning of rooms and bathrooms should be done once a day during occupancy. Adequate inventory of cleaning material like phenyl, naphthalene balls, and liquid detergents for cleaning floors and tiles, floor wipers, brushes, dusters, mops, buckets, mugs, dustbins etc. should always be available at the cost of the Contractor. In addition, the following should also be ensured:

- Rooms must have wire mesh, mosquito repellants and should be pest, rodent and insect free.
- Litterbins for proper garbage disposal.
- Adequate no. of room boys and safaiwalas in proper uniform.
- Employee schedule to be provided.
- The staff provided should be literate, courteous and attend to the needs of the customers promptly.

The following maintenance work should be done by the Contractor:

- All repairs and routine maintenance including prompt repairs of cracks, concrete joints, electric fittings, lighting, sanitary fittings and signage of the complex to be promptly attended to.
- White washing and painting to be undertaken as and when required.
- Mechanized grinding and polishing of the floor surface of the RR complex to be done at least once a year.
- Safety and security of passengers/users to be ensured.

5. ELECTRICITY AND WATER CHARGES:

Separate Electric meter and flow meter for electricity and water respectively will be installed by Contractor who will be liable to pay for the actual consumption of power and water supply. In case flow meter is not provided, the Contractor will have to pay lump sum water charges as decided by the railways.

6. PERIOD OF CONTRACT:

The period of Contract will be 15 years. Thereafter the assets (both movable and immovable) will be transferred to the Railways at NIL value and the latter will be free to lease it on further contracts.

7. FIXED ANNUAL USER CHARGE AND ANNUAL LICENSE FEE:

- a) The Contractor shall pay to Railways a fixed annual user charge based on the existing Railway tariff for Retiring Rooms/Dormitories which will be as follows:

Category of Station	Percentage of room rent potential for one year
A-1	80
A & C	70
B	60
Rest of the stations	50

(Calculation of room rent potential: Current/present room tariff for one year will be multiplied by no. of rooms of that tariff. The total for all rooms at that station will be the room rent potential for one year)

In addition, the Contractor shall have to pay to Railways a variable charge called annual license fees as per the financial bid. The annual license fees for any year will be the amount as per the financial bid quoted for that year.

- a) Payments of fixed annual user charge and annual license fee shall be made by the Contractor to Railways in advance in four equal installments on a quarterly basis. Payment for each quarter shall be made within 15 days from the beginning of each quarter.
- b) The first quarterly installment of the fixed annual user charge and annual license fee shall, however, be paid within 15 days of signing the agreement. The licensed asset shall be handed over to the Contractor only after receiving the first installment of the fixed annual user charge and annual license fee.
- c) The fixed annual user charge shall be increased by 10% every three years.
- d) No set off or adjustment of the fixed user charge or license fee payable by the Contractor shall be permitted under any circumstances with other dues, if any, payable by the Railways to the Contractor. However, room rent payable on account of occupancy by railways officials as mentioned in Clause 9 may be adjusted against fixed annual user charge and annual license fee payable.
- e) The time prescribed for making payment of the fixed annual user charge and annual license fee shall be the essence of this agreement. Non-payment of fixed annual user charge or the annual license fee shall be a ground for immediate termination of the agreement. However, Railways, at its sole discretion and

without prejudice to its other rights, may grant a maximum of 30 days from the due date for payment of the fixed annual user charge and the annual license fee provided the Contractor makes payment along with interest @24% per annum.

8. VALUE ADDED SERVICES:

The Contractor shall be allowed to provide certain value added services like room service of meals/snacks/tea/coffee/cold drinks etc., laundry facilities, arrange local sight seeing through authorized travel agents, provide medical aid in case of emergencies through tie-up with local hospitals, sell newspapers/magazines and toiletries at printed rates, cloak room, Local/STD/ISD call & internet facilities etc. The Contractor may fix the prices for such services. The charges for such services should also be displayed prominently.

9. BOOKING OF ROOMS AND ROOM TARIFF:

The rooms may be single, double, triple bedded or a dormitory. The room tariff charged (inclusive of all taxes) should be comparable to similar category of hotels in the vicinity and should not be exorbitant. The quality of infrastructure and service in all rooms shall be commensurate with the tariff charged and services offered. The Contractor may also revise the room tariff periodically in consultation with the Railways without any change in payment of fixed annual user charge and annual license fees.

The booking/reservation of rooms should not be done by the Contractor more than 7 days in advance. Railway should be given priority in case rooms are required for railway's use and these should be made available on requisition by an authorized railway official. The total requirement of railway will not exceed 15% room-days in a year. The rent for such room usage would be adjusted against the fixed annual user charges and annual license fee payable by the Contractor. A check on the possible misuse of such allotments should be conducted regularly at DRM/ADRM level.

The room tariff should conspicuously be displayed in the retiring room complex. The number of persons permitted to occupy the retiring room should be as per the number of beds provided in each room. Relaxation may however be permitted for children below 12 years of age.

10. SECURITY DEPOSIT:

Security deposit equal to 50% of the sum of the annual license fee for the first year and fixed annual user charge for that year shall be deposited in the form of demand draft/pay order before signing the agreement and shall remain with the Railways throughout the validity of the agreement as interest free deposit. In the event of failure of the Contractor to make payment of any of the installments of the fixed annual user charge and the annual license fee, Railways shall have the right to invoke/set off the security deposit to the extent of the entire fixed user charge and/or license fee or part thereof at its own indisputable/sole discretion. In the event of the security deposit being invoked/set off for a part/whole of the fixed annual user charge and/or annual license fees, the Contractor shall deposit such amount or provide fresh Bank Guarantee to ensure that the security

deposit is brought back to the level prior to such set off/invocation within seven days of receiving a written notice from the Railways. The security deposit shall be over and above the fixed annual user charge and annual license fee payable for the first year.

The security deposit will be refunded by the Railways at the time of peaceful vacation of the licensed asset and the licensed premises by the Contractor after settling all dues or arrears payable under this agreement by the Contractor.

11. TAX AND OTHER CHARGES:

- (a) The Contractor shall from time to time pay all taxes, charges, statutory dues, ground rent and assessments of every description which are now or may at any time hereafter during the continuance of the agreement be assessed, charged or imposed upon the licensed assets, and/or construction maintenance and operation of the licensed premises.
- (b) The stamp duty, registration charges and other costs and expenses leviable on the agreement shall be borne by the Contractor.
- (c) In general, the Contractor is required to meet the applicable statutory standards of business, prescribed by the state and central regulatory agencies, at all times.

12. SELECTION OF AGENCY:

- (a) An Expression of Interest (EOI) will be called for through leading national/regional newspapers and on Railways' website. The documents to be given to the interested parties after the publication of notice of EOI will contain the project details, minimum eligibility criteria, methodology for evaluation of bids, rough sketch of the site, and formats for information to be provided by the bidder for technical and financial evaluation. EOI should be called by zonal railways for selection of agency either division-wise (i.e. for all Retiring Rooms/Dormitories in the division) or for a suitable cluster of stations.

(b) Minimum eligibility criteria to participate in the EOI:

- (i) The participating firm should be a company registered under the Companies Act, 1956 with a minimum turnover of Rs. 50 lakhs per annum from the business of operating and maintaining hotels in the last three financial years. The turnover here means turnover from room rent and from other services provided to guests by the hotel.
- (ii) A net profit for at least two of the last three financial years.
- (iii) No default on any bank/financial institution loans in the past.
- (iv) No default in payment of any statutory dues and undisputed liabilities.
- (v) Is an income tax and sales tax/service tax payer.

- (c) A pre-bid one-to-one meeting shall be held with the prospective bidders. In the pre-bid conference, the interested parties/firms will have the option to deliver a presentation of the design/layout/concept of the proposed Retiring room complex. They can share with the Railways their innovative ideas if any, with complete specifications. A JA-Grade Committee consisting of Officers from Commercial,

Engineering and Finance Departments will be nominated by the Chief Commercial Manager (CCM) to evaluate the proposals.

After presentation, the Committee will do the short-listing of the parties/organizations based on the above mentioned criteria.

(d) Bidder's Responsibility before submission of proposal:

The bidder shall be responsible for all the costs associated with the preparation of the proposal and their participation in the selection process. Railways will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the selection process.

- i) The bidder shall ensure that the bid is complete in all respects and conforms to all the requirements.
- ii) The bidder should be familiar with the clearances required from various authorities to commence work. The bidder shall be deemed to have carried out preliminary checks with relevant authorities.

(e) Based on the above, a two packet tender from the short-listed firms should be called containing the 'Technical bid' in the first and 'Financial bid' in the second packet. In the technical bid, the bidders will be asked to present a business plan for the proposed facilities clearly providing the following details:

- Quantum of investment proposed.
- Concept, designs and drawings including the layout plans for the facilities.
- Facilities to be offered- Number and type of rooms, telephone booths, recreation room, cloak room, laundry services, travel services, internet facilities etc.
- Profile of personnel to be dedicated to the project.
- Plans for ventilation and air conditioning.
- Detailed description of the proposed safety measures.
- Project completion schedule, indicating when the key milestones of the project will be achieved.
- Details of the Business Plan, including the Operation & Maintenance, expenditure and the revenue model alongwith the proposed room tariff structure.
- Marketing strategy for the Retiring Rooms/Dormitories.

(f) Evaluation of Bids:

The JA-Grade Committee nominated earlier will evaluate the bids. Evaluation of bids will be done in two phases.

- (i) **Technical Bid:** In the first phase the technical bids shall be scrutinized and evaluated on the basis of information available in the documents/information submitted by the bidders as part of the Technical bid. No further clarification shall be called in case of incomplete information.

The bidders shall be evaluated on the basis of the analysis of their business plans, financial health, and experience in the hotel business, organizational experience and other detailed criteria as follows:

Criteria	Marks assigned
Quantum of Investment proposed	15
Financial Strength	20
a) Net worth of the bidder	10
b) Profitability for the last 3 years	10
Organisational profile	15
a) Professional profile of promoters of the company	10
b) Profile of key personnel	05
Technical expertise	15
a) No. of years in hotel/entertainment business	10
b) Profile of other business units run by bidder	05
Business Plan Evaluation	35
a) Preliminary design, drawing, architectural plans	10
b) Financial viability analysis, incl. Revenue model alongwith proposed room tariff structure	10
c) Project completion schedule	05
d) Staffing plan for Operation and Maintenance	05
e) Marketing strategy	05
Total Marks	100

The maximum marks shall be 100 and those bidders scoring 75 marks and above shall qualify for the next stage.

In the second stage the financial bids of only the technically qualified firms shall be opened in the presence of the qualified bidders. The bidder quoting the highest annual license fee (payable every year) in terms of Present Value of series of annual license fee payment mentioned in financial bid shall be awarded the License.

- (ii) The Railways will intimate the date and venue of the opening of the financial bid. They should be requested to be present at the time of opening of the financial bid.
- (iii) Conditional bids should be rejected.

The Committee will evaluate the offers and their recommendations shall be accepted by the Chief Commercial Manager (CCM).

(g) Selection and Notification:

The successful bidder shall be intimated through a 'Notice of Award' and he must sign the 'letter of acceptance' within 10 days of the issue of the 'Notice of Award'. The agreement must be signed within 30 days of 'Notice of Award'. In case the bidder does not sign the agreement within 30 days of issuance of 'Notice of Award', the railway reserves the right to cancel the offer and proceed ahead in a manner deemed fit.

13. AGREEMENT:

The Contractor after signing agreement, shall not transfer, sublet or dispose of the rights and benefits under the Agreement or any project agreement except with prior written consent of the Railways which the Railways shall be entitled to decline without assigning any reason whatsoever. The Contractor should ensure enforcement of existing Labour Laws, Minimum Wages Act and at no point of time should the Railways be drawn into litigation on these counts. The staff employed will be working under the rolls of the Contractor and at no point of time whatsoever, the staff have any claim of employment on the railways. (Standard Draft Agreement is placed as Annexure-I which may suitably be modified as per local requirement)

14. ARBITRATION:

In case of any dispute or difference between the Parties under this agreement or relating thereto or in connection therewith (except as to any matters, the decision of which is specifically provided for under this agreement), the same shall be resolved by Arbitration, as per the provisions of 'The Arbitration and Conciliation Act, 1996.' All questions, disputes and/or differences arising under/or in connection with this agreement or in touching or relating to or concerning the construction, or affect of presents (except as to matters the decision whereof is otherwise herein before, expressly provided for) shall be referred to the sole arbitrator, to be appointed by the General Manager of the concerned zonal railway. His decision in this regard shall be final and binding on the Contractor.

15. COMPLAINTS AND SUGGESTIONS:

While the Contractor is responsible for ensuring a complaint free service, he should also maintain a complaint and suggestion register at the RR Complex, which should be made available to the users/passengers. A notice to this effect may be displayed in the RR Complex at conspicuous location. The register should be inspected by Railway officials at least once a month and necessary action taken.

16. PUNITIVE CLAUSE:

Railways can impose a fine on the Contractor if the desired level of cleanliness and upkeep of amenities is not maintained. The Contractor can also be fined for not maintaining proper records provided as per the agreement or keeping

unauthorized occupants in the Retiring Rooms/Dormitories. Fine upto Rs.2000/- at a time can be imposed for unsatisfactory cleanliness or poor upkeep of amenities. However, in no case the fine should be more than Rs. 5000/- at a time. Such a clause should be clearly brought out in the Agreement.

17. TERMINATION OF CONTRACT:

The Railways can terminate the contract in case of continued non-compliance of Service Conditions by the Contractor with one month's notice. The assets will then be transferred to Railways at the Depreciated Replacement Value, which will be determined by the Railways. The Railways will be free to lease the assets on further contract.

The agreement may be terminated in case of the following:

- i) The Contractor provides poor quality of service continuously over a period of one month or where fine has been imposed (as per clause 16) thrice in three consecutive months.
- ii) The Contractor assigns its right to its agreement with the Railways to any third party without prior written approval of the Railways.
- iii) Non payment of fixed annual user charge or annual license fee within the prescribed period.
- iv) The Contractor commits default in complying with any of the terms and conditions of the agreement.
- v) The Contractor is declared insolvent.
- vi) The Contractor is unable to pay its debts or is under liquidation proceedings.

18. LOSS AND THEFT OF PROPERTY:

The Contractor shall be solely responsible for the upkeep of all the assets created and any loss and damage thereof shall be made good by him immediately at his own cost to continue to keep the complex operational and available for use. The Contractor will be responsible for any loss/theft of passenger's property kept in the retiring room complex under his custody. The Contractor shall throughout the period of construction of the licensed premises and thereafter till the validity of the agreement take appropriate insurance to insure for damages, loss or injury which may occur to any property and the licensed premises.

19. PROJECT COMPLETION:

The upgradation shall be completed within a period of 6 months of signing of the agreement, depending on the scope of the work. No extension shall be given under normal conditions. However, if Railways are satisfied that delay, if any, has been caused due to unforeseen circumstances, extension may be granted for completion of work as per rules.

ANNEXURE-I

STANDARD DRAFT AGREEMENT

This Agreement is made on ____ day of ____ Two Thousand Six (2006) between

- A. Indian Railways on behalf of the President of India, hereinafter referred to as "Railways" which expression shall, unless, excluded by or repugnant to the context be deemed to include its successors and assigns.

AND

- B. _____, a company incorporated under the Companies Act 1956, having its registered office at _____ hereinafter referred to as "Contractor" which expression shall, unless, excluded by or repugnant to the context to be deemed to include its successors and permitted assigns.

1. Railway hereby gives the Contractor and the Contractor hereby accepts to upgrade the Retiring Rooms/Dormitories on the Terms and conditions mentioned herein below.
2. The asset will continue to be owned by the Railways and Contractor shall have no rights in the assets other than those explicitly stated in this Agreement.
3. The Contractor shall have no right to give the licensed asset and/or the licensed premises on rent, lease and/or license to any third party. The Contractor cannot, without the prior approval of Railways assign its rights under this agreement. Violation of this clause shall be a ground for immediate termination of the agreement. Railways on receiving written request for assignment of the rights of the Contractor may accept or reject at its own discretion without giving any reason whatsoever. The decision of Railways in this regard shall be final and binding on the Contractor. Whenever the right of the Contractor under this Agreement is transferred or assigned in any manner whatsoever, the transferee shall be bound by all the covenants and conditions contained herein and answerable in all respect thereof. Without prejudice to the foregoing, and notwithstanding any consent granted by Railways in case of any such transfer/assignment, the Contractor and the transferee shall both be jointly liable to the Railways for compliance with the covenants and conditions contained in this Agreement and breach by the transferee shall be deemed to be a breach by the Contractor.

4. The Contractor at his own cost shall:

- a) Renovate/Construct, set up, operate and maintain Retiring Rooms/Dormitories on the Area provided by the Railways on License.
- b) Design/redesign railway rooms as per the parameters fixed by Railways with an aim to achieve improved architecture and making innovative use of space.
- c) Make additions/alterations in existing Retiring Rooms without affecting the structural and load bearing members of the building.
- d) Increase/decrease the size of rooms, add new rooms, construct lounge/telephone booth/recreation room etc. within the existing built up area. The proposed plan for such alterations shall be approved by Railways before commencement of construction.
- e) Arrange for maintenance and upkeep of the licensed asset and the licensed premises.
- f) Ensure that the licensed premises are fully operational as per the specified project completion schedule.

He should also provide the following amenities:

- i) Reasonably well furnished and well lit lounge/lobby commensurate with the size of the Retiring Room Complex. At least 25% of the rooms, subject to a minimum of one room, should be air-conditioned. Air coolers should be provided in case Air Conditioners are not provided. Room heaters should also be provided.
- ii) Well laid out, spacious and aesthetically designed attached bathrooms with all the modern facilities including provision for running hot and cold water.
- iii) Reception facility with telephone and attended by qualified and experienced staff.
- iv) Television in rooms with cable connection and electrical sockets for lap-tops and mobile charging.
- v) Arrangement of meals/snacks/tea/coffee should be as part of room service. There can be room delivery contract with reputed caterers or restaurant chains.
- vi) Telephone booth and mini cloak room.
- vii) Fire fighting arrangement.
- viii) Provision of laundry services.

Charges should be displayed for such services.

Apart from the above, the following value added services may be provided:

- i) A small outlet for sale of day to day toiletries on printed rates.
- ii) Shoe shining machine.
- iii) Internet facility on payment.

- iv) Tie up with local travel agencies for arranging transport for the passengers.
- v) Tie up with local hospitals in case medical aid is required by passengers.

- 4.1 The Contractor should ensure that the Retiring Rooms/Dormitories are provided for the use of bonafide railway passengers only. For this, name, address, ticket number/PNR number of tickets of the occupants should be entered in a register maintained for this purpose by the Contractor.
- 4.2 The Contractor shall not book/reserve Retiring Rooms/Dormitories more than 7 days in advance.
- 4.3 The room tariff should conspicuously be displayed in the retiring room complex.
- 4.4 Railway should be given priority in case rooms are required for railway's use and these should be made available on requisition by an authorized railway official. The total requirement of railway shall not exceed 15% room-days in a year. The rent for such rooms shall be adjusted against the fixed annual user charges and annual license fee payable by the Contractor.
- 4.5 Alcoholic beverages shall not be served in the licensed premises.
- 4.6 The Contractor shall revise the room tariffs periodically, in consultation with the Railways.
- 5. The Contractor shall pay to Railways a variable charge hereinafter called License Fee as per the financial bid. The License fee for any year will be the amount as per the financial bid.
- 5.1 The Contractor shall pay to Railways a fixed user charge which will be as follows:

Category of Station	Percentage of room rent Potential for one year
A-1	80
A & C	70
B	60
Rest of the stations	50

(Calculation of room rent potential: Current/present room tariff for one year will be multiplied by no. of rooms of that tariff. The total for all rooms at that station will be the room rent potential for one year)

In addition, the Contractor shall have to pay to Railways a variable charge called annual license fees as per the financial bid.

- 5.2 Payments of Fixed Annual User Charge and Annual License Fee shall be made by the Contractor to Railways in advance in four equal installments on a quarterly basis. Payment for each quarter shall be made within 15 days from the beginning of each quarter.
- 5.3 The first quarterly installment of the Fixed Annual User Charge and Annual License Fee shall, however, be paid within 15 days of signing the Agreement. The Licensed Asset shall be handed over to the Contractor only after receiving the first installment of the Fixed Annual User Charge, Annual License Fee and full amount of security deposit.
- 5.4 There will be an increase of 10% in the Fixed Annual User Charge every three years.
- 5.5 No set off or adjustment of the Fixed Annual User Charge or Annual License Fee payable by the Contractor shall be permitted under any circumstances with other dues, if any, payable by the Railways to the Contractor. However, room rent payable on account of occupancy by railway officials may be adjusted against the annual license fees payable.
- 5.6 The time prescribed for making payment of the fixed annual user charge and annual license fee shall be the essence of this agreement. Non-payment of fixed annual user charge or the annual license fee would lead to immediate termination of this agreement. However, Railways, at its sole discretion and without prejudice to its other rights, may grant a maximum of 30 days from the due date for payment of the fixed annual user charge and the annual license fee provided the Contractor makes payment along with interest @24% per annum.
6. The Contractor shall submit the audited financial statement of the Licensed Asset and Licensed Premises to the Railways within 30 days after the end of the respective year. In the event that the Railways require any clarification/supporting document for the audited financial statement submitted by the Contractor, they shall be made available promptly and not in any case later than three days from the date of request. (Here "year" means financial year commencing from 1st April and ending on 31st March of the next year).
7. Security deposit equal to 50% of the sum of the Annual License fee for the first year and fixed annual user charge for that year shall be deposited in the form of demand draft/pay order before signing of the Agreement and shall remain with the Railways throughout the validity of this Agreement as interest free deposit.
- 7.1 In the event of failure of the Contractor to make payment of any of the installments of the Fixed Annual User Charge or the Annual License Fee, the Railways shall have the right to invoke/set off the security deposit to the extent of the entire Fixed Annual User Charge and/or Annual License Fee or part thereof at its own indisputable/sole discretion. In the event that the security deposit is invoked/set off for a part/whole of the Fixed Annual User Charge and/or Annual License fee, the Contractor shall deposit such amount or provide

fresh Bank Guarantee to ensure that the security deposit is brought back to the level prior to such set off/invocation within seven days of receiving a written notice from the Railways.

- 7.2 The security deposit shall be over and above the fixed annual user charge and annual license fee payable for the first year.
- 7.3 The security deposit will be refunded by the Railways at the time of peaceful vacation of the Licensed Assets and the Licensed Premises after settling all dues or arrears payable under this agreement by the Contractor.
8. The stamp duty, registration charges and other costs and expenses leviable on this Agreement shall be borne by the Contractor.
9. The Contractor shall from time to time pay charges, taxes, statutory dues, ground rent and assessments of every description which are now or may at any time hereafter during the continuance of this Agreement be assessed, charged or imposed upon the Licensed Asset and/or renovation/construction, maintenance and operation of the Licensed Premises. In general the Contractor is required to meet all the applicable statutory standards of the business prescribed by the State and Central regulatory agencies at all times.
10. The Contractor shall be responsible for payment of electricity and water charges as per metered consumption.
11. The Contractor shall for itself, and its executors, administrators, legal representatives and assignees agree to the following:
 1. No construction activity should be started before the registration of the Agreement.
 2. At no stage, compromise on the fire fighting system and other building safety measures.
 3. To use the Licensed asset and the Licensed Premises or any part thereof only for bonafide and permissible use. No part of the Licensed Asset and the Licensed Premises shall be used for any unauthorized or illegal or immoral purposes or for the purpose of residence.
12. Contractor should adhere to the broad Guidelines for renovation/construction of Retiring Rooms/Dormitories.
13. The Contractor shall operate and maintain the retiring room complex to the entire satisfaction of the Railways. Toilets, floors, walls and ceilings of the interior as well as exterior of the complex should be cleaned
14. In order to achieve optimum standards of cleanliness, a cleaning schedule made by the Contractor and approved by Railways should be strictly adhered to. The bed sheets and blanket covers should be washed after every use and blankets dry cleaned once in two months. The cleaning of rooms and bathrooms should be

done once a day during occupancy. Adequate inventory of cleaning material like phenyl, naphthalene balls, and liquid detergents for cleaning floors and tiles, floor wipers, brushes, dusters, mops, buckets, mugs, dustbins etc. should always be available at the cost of the Contractor. In addition to, the following should also be ensured:

- Rooms must have wire mesh, mosquito repellants and it should also be pest, rodent and insect free.
- Litterbins for proper garbage disposal.
- Adequate no. of room boys and safaiwalas in proper uniform should be posted.
- Employee schedule should be provided.
- The staff provided should be literate, courteous and attend to the needs of the customers promptly.

The following maintenance work should be done by the Contractor:

- All repairs and routine maintenance including prompt repairs of cracks, concrete joints, electric fittings, lighting, sanitary fittings and signage of the complex to be promptly attended to.
- White washing and painting to be undertaken as and when required.
- Mechanized grinding and polishing of the floor surface of the RR complex to be done at least once a year.
- Safety and security of passengers/users to be ensured.

15. The period of agreement will be 15 years. After that the assets (both movable and immovable) will be transferred to the Railways at NIL value and the latter will be free to lease it further.
16. The Contractor shall be solely responsible for the upkeep of all the assets created and any loss and damage thereof shall be made good by him immediately at his own cost to continue to keep the complex operational and available for use. The Contractor will be responsible for any loss/theft of passenger's property kept in the retiring room complex under his custody. The Contractor shall throughout the period of construction of the licensed premises and thereafter till the validity of the agreement take appropriate insurance to insure for damages, loss or injury which may occur to any property to any person, or for damages, loss or injury which may occur to the Licensed Asset and the Licensed Premises. The Contractor shall also take the Workmen's compensation policy which shall cover all workers and contract labour (if any) employed by the Contractor.
17. The staff employed will be working under the rolls of the Contractor and at no point of time whatsoever, the staff have any claim of employment on the railways.
18. While the Contractor is responsible for ensuring a complaint free service, they should also maintain a complaint and suggestion register at the RR Complex,

which should be made available to the users/passengers. A notice to this effect may be displayed at in the RR Complex at conspicuous location.

19. If it is discovered that this License has been obtained by suppression of any fact or misstatement/misrepresentation or fraud, Railways shall have unconditional right to terminate this Agreement without any compensation to the Contractor.
20. Provided Railways may, without prejudice to its right at its absolute discretion, waive or condone breaches, temporarily or otherwise. Provided that no such waiver or condonation shall be valid unless made in writing. The waiver or condonation so granted in one instance shall not apply to any subsequent instance.
21. In the event of any breach or default being attributable to the Contractor, Railways shall be entitled to take appropriate action(s) as is necessary, including termination of this Agreement, if the breach and/or default is not set right by the Contractor within 30 days of receipt of notice of such breach and/or default. The Contractor shall keep the Railways fully indemnified for any loss, expenses, damages and/or costs arising out of relating to such breach and/or default by the Contractor.
22. Subject to the terms of the Agreement, both Parties may modify/amend terms of this Agreement in writing, whenever considered necessary, on mutually agreed terms.
23. This Agreement will be subject to the applicable provisions of the Indian Railway Act 1989, and the rules framed therein and any applicable directions issued there under will be binding on the Contractor. This Agreement may be terminated in case of gross violation of the applicable provisions of the Railway Act 1989.
24. In the case of any dispute or difference between the Parties under this agreement or relating thereto or in connection therewith (except as to any matters, the decision of which is specifically provided for under this agreement), the same shall be resolved by Arbitration, as per the provisions of 'The Arbitration and Conciliation Act, 1996.' All questions, disputes and/or differences arising under/or in connection with this agreement or in touching or relating to or concerning the construction, or affect of presents (except as to matters the decision whereof is otherwise herein before, expressly provided for) shall be referred to the sole arbitrator, to be appointed by the General Manager of the concerned Zonal Railway. His decision in this regard shall be final and binding on the Contractor.
25. In the event of any unforeseen event directly interfering with or affecting the obligation of any of the Contractor including the operation or maintenance of the Licensed Asset and the Licensed Premises arising during the currency of this Agreement, such as war, insurrection, restraint imposed by the Government, Act of legislature or other authority, explosion, accident, strike, riot, act of

public enemy, acts of God, sabotage or if extraordinary circumstances have occurred which make it impossible for the Contractor to fulfill its obligations under this Agreement, the Contractor shall, within a week from the commencement thereof, notify the same in writing to the Railways with reasonable evidence thereof. The Contractor shall take steps for restoring the Licensed Asset and Licensed Premises as expeditiously as possible.

26. Upon happening of any events of default of Contractor as mentioned in clause 27 below, which if not cured within the time period stated in this Agreement or permitted by the Railways, if any, the Railways shall have the right to terminate this Agreement by giving 30 days notice in writing to the Contractor. In such a case, the assets will be transferred to Railways at the Depreciated Replacement Value, which will be determined by the Railways. The Railways will be free to lease the assets on further contract.

27. The following events shall, inter alia, constitute an event of default by the Contractor:

- a) The Contractor assigns its right to its agreement with the Railways to any third party without prior written approval of the Railways.
- b) Non payment of fixed user charge or license fee within the prescribed period.
- c) The Contractor commits default in complying with any of the terms and conditions of the agreement.
- d) The Contractor is declared insolvent.
- e) The Contractor is unable to pay its debts or is under liquidation proceedings.
- f) The Contractor provides poor quality of service continuously over a period of one month or where fine has been imposed (as per clause 28 below) thrice in three consecutive months.

28. Railways can impose a fine on the Contractor if the desired level of cleanliness and upkeep of amenities is not maintained. The Contractor can also be fined for not maintaining proper records provided as per the agreement or keeping unauthorized occupants in the Retiring Rooms/Dormitories. Fine upto Rs.2000/- at a time can be imposed for unsatisfactory cleanliness or poor upkeep of amenities. However, in no case the fine should be more than Rs. 5000/- at a time.

29. On expiry or prior termination of this Agreement, the Contractor shall hand over the possession of the Licensed Asset to the Railways, failing so, the Railways shall be entitled to enter the premises and take over the possession of the Licensed Asset and the Licensed Premises. The possession of the Licensed Asset and the Licensed Premises shall be handed/taken over free from all encumbrances and the Contractor shall not be entitled to any compensation therefore. The Contractor shall not be entitled to any refund or compensation or refund of the License fee paid, on account of termination of the Agreement prior to the term for any reason whatsoever.

30. Termination or expiry of this Agreement shall not affect the right of the parties that may have accrued or arisen or which are attributable to a period to such termination/expiry.

31. The Contractor shall indemnify, protect, defend and hold harmless Railways, its officers, employees and agents from and against any and all demands, claims, suits and causes of action and any and all liabilities, costs, expenses, settlements and judgments arising out of the failure of the Contractor to discharge its obligations under this Agreement and to comply with the provision of applicable laws and any permit or approval that may have been obtained or may be required or arising out of or attributable to any act or omission of the Contractor.

32. The upgradation shall be completed within 6 months of signing of the agreement. No extension shall be given under normal conditions

In witness whereof the Parties hereto have signed this Agreement on the day and year first written above.

For and on behalf of Railways

For and on behalf of the Contractor

Name

Name

Designation

Designation

Place

Place

Witness

Witness