



# LUCKNOW METRO RAIL CORPORATION LIMITED

Administrative building, Vipin Khand, Gomti Nagar, Lucknow - 226010

E-mail id- [cecontractlmrc@gmail.com](mailto:cecontractlmrc@gmail.com)

No. LMRC/PD/LKAR-03/

Date: 04/09/2018

To,  
All bidder

**Subject:** - Addendum-1 & Reply to Pre-bid queries for tender LKAR-03.

**Ref:- Tender LKAR-03:** Tender for awarding Exclusive Advertising Rights in 3 Nos. Underground & 8 Nos. Elevated Metro Stations and on civil structures of underground & Elevated section from Charbagh (excluding Charbagh Station) to Munshipulia of LMRC.

Dear Sir,

Please find enclosed herewith the Addendum-1 & Reply to Pre-bid queries to the tender document for tender LKAR-03 along with the summary sheet.

Further, the following key dates in 'Schedule of Bidding process' are revised as below:-

- Last date of issuing Addendum - **04.08.2018**
- Date & Time of Submission of Bid - **11.09.2018 upto 15:00 Hrs.**
- Date & Time of Opening of Tender (Technical Bids) - **11.09.2018 @ 15:30 Hrs.**

**Enclosure: As Above**



(Deepak Gupta)  
Chief Engineer/Contract



**Contract No. LKAR-03 : Reply to Pre-Bid Queries**

**Contract No. LKAR -03:** License out Exclusive Advertising Rights in 3 Nos. Underground & 8 Nos. Elevated Metro Stations and on civi structures of Underground & Elevated section from Charbagh (excluding CharbaghStation) to Munshipulia of LMRC.

S. NO.	Clause No./ Page No.	Existing Provision	Bidder's Query	LMRC's Reply
1	Clause 1.5 of NIT, Bullet No. 01 of Note, Page 6	In case audited balance sheet of the last financial year is not made available by the bidder, he has to submit an affidavit certifying that 'the balance sheet has actually not been audited so far'.	Can the bidder give the affidavit on its letterhead or it has to be issued by the CA	Should Provide the affidavit certified by CA
2	Clause 3.4 of Chapter-3, Page-8	The Bidder shall enclose with their Bid an undertaking stating that all the necessary supporting documents, including audited accounts and financial statements, certificate(s) from its statutory auditors have been provided.	Is there any specific format for the undertaking?	As per tender conditions.
3	Clause 4.3.2 of Chapter-04, Page-15	"The highest Financial Proposal (FM) will be given a financial score (SF) of 100 points. The financial scores of other proposals will be computed as follow:" SF = 100xF/FM (F= Amount of Financial Proposal)	30 marks have been assigned to "Proposed Revenue Share" and 70 marks have been assigned to "Minimum Annual Guarantee (MAG)". However, the formula for cumulative mark calculation is - SF = 100xF/FM. As per this formula both Revenue Share and MAG will be scored on a maximum mark of 100. However, it should be scored separately on 30 and 70 marks. Therefore, the formula for each category should be - (Max Mark) x F/FM	Please refer revised Annexure-10 of Addendum-1.
4	Clause 6.2 (e) of Chapter-06, Page-21	LMRC too can exit after giving 6 months notice to Licensee. In such an eventuality LMRC shall return the Security Deposit but equipment supplied shall become property...	Is there any minimum lock-in period for LMRC before it can exit?	As per tender conditions.
5	Clause 6.3 (e) of Chapter-06, Page-22	"At present, LMRC is not liable to share its revenue generated from advertisements in LMRC area with local bodies including Lucknow Municipal Corporation, etc. However, if LMRC becomes liable to share revenue with local bodies from advertisements in future, then LMRC shall deposit the due share to local bodies out of its own funds. Licensee shall not be liable to part with any additional amount on this account."	As per this statement Licensee shall not be liable to pay any additional amount to local bodies such as Lucknow Municipal Corporation. However, under same section (Point No.6.3 (c), it has been mentioned that "Municipal taxes, if any, shall be solely borne by licensee". Both seem to be contradictory. Please clarify.	As per tender conditions.
6	Clause 6.8 (f) of Chapter-06, Page-25	Station naming and branding shall not be allowed	Is there any possibility that LMRC may allow station branding in future and such a scenario will be existing concessionaire get first right of refusal?	As per tender conditions.
7	-	-	Do we need to attach any receipt of fees paid for tender document? If yes, please provide the same.	No receipt of fees paid for tender document is to be attached.
8	-	-	Will installation of Uni-Poles/Billboards along the track be permitted?	Refer Clause 6.7 (b) of Chapter-06
9	-	-	Will installation of advertising panels on the platform corridors (behind standing area) be permitted?	Refer Bullet No. 06 of Clause 5.2.1 of Chapter-05
10	-	-	20% increase in Minimum Annual Guarantee (MAG) every 3 years is on higher side. We request that it should be reduced to 10% every 3 years.	As per tender conditions.
11	-	-	Fitment period should be at least 120 days	As per tender conditions.





**Summary Sheet of ADDENDUM No.-1: Contract LKAR-03**

**Contract No. LKAR -03:** License out Exclusive Advertising Rights in 3 Nos. Underground & 8 Nos. Elevated Metro Stations and on civi structures of Underground & Elevated section from Charbagh (excluding CharbaghStation) to Munshipulia of LMRC.

S. NO.	Existing Clause / Pg. No.	Clause in Existing Tender Document	Revised Clause	Revised Clause placed as Annexure/ Pg. No.
1	Clause 3.3 (b) Page-8 of Tender Document	b) The Bid Security shall be submitted in person by the specified date and time to Chief Engineer / Contract, Administrative Building, Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand, Gomti Nagar, Lucknow - 226010. Bidders who fail to submit the requisite Bid Security along with the bid shall be declared as ineligible and the Bid submitted by them shall be summarily rejected. The Bid Security shall be valid for a period not less than 180 days from bid due date.	b) The Bid Security shall be submitted in person <u>along with Tender Submission</u> by the specified date and time to Chief Engineer/Contract, Administrative Building, Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand, Gomti Nagar, Lucknow - 226010. Bidders who fail to submit the requisite Bid Security along with the bid shall be declared as ineligible and the Bid submitted by them shall be summarily rejected. The Bid Security shall be valid for a period not less than 180 <u>± 56 = 236</u> days (i.e. <u>Minimum upto 05.05.2019</u> ) from bid due date.	Annexure-1, Pg. 8 R1
2	Clause 3.5 (b) ii. Page-8 of Tender Document	ii. Self-attested copies of the PAN Card and Service Tax Registration Certificate (of lead member in case of JV/ Consortium). In case any or all of the provisions mentioned above are not applicable, the Bidder should give a declaration to that effect. Non submission will not be considered as exemption.	ii. Self-attested copies of the PAN Card and <u>Goods &amp; Services Tax (GST)</u> Registration Certificate (of lead member in case of JV/ Consortium). In case any or all of the provisions mentioned above are not applicable, the Bidder should give a declaration to that effect. Non submission will not be considered as exemption.	Annexure-1, Pg. 8 R1
3	Clause 5.2.3 9(m) Pg. 19, S.No. 5 of Annexure-2 Pg. 29, S.No. 4 of Annexure-3 Pg. 32, Clause 2.3 (m) of Annexure-13 Pg. 50, Clause 2.8, 2.10, 2.22(a) of Article-2 of Annexure-13 Pg. 55 & 58, S.No. 22 of Annexure-VI Pg. 96	Word 'Service Tax' in all the referred clauses.	The Word 'Service Tax' is replaced as ' <u>Goods &amp; Services Tax (GST)</u> ' in all the referred clauses.	Annexure-2 : Pg. 19 R1 ; Annexure-3 : Pg. 29 R1; Annexure-4 : Pg. 32 R1; Annexure-5 : Pg. 50 R1; Annexure-6 : Pg. 55 R1; Annexure-7 : Pg. 58 R1; Annexure-8 : Pg. 96 R1





4	Clause 6.2 (d) of Tender Document, Pg. 21	The Licensee shall have option to exit from the License Agreement only after completion of Lockin period of Two (2) years of service / operation. For this, the Licensee shall give 6 month prior notice / intimation to LMRC. In such a case, Bid Security of the Licensee shall be refunded after adjusting the outstanding dues, if any. If Balance outstanding dues are more than Interest Free Security Deposit/ Performance Security, it shall be recoverable from the other contracts of licensee in LMRC, before licensee is permitted to remove their establishment(s) or else LMRC will seize their property. However, LMRC will not pay any other compensation or consideration to Licensee and in this case all equipment shall become property of LMRC at Zero cost.	The Licensee shall have option to exit from the License Agreement only after completion of Lockin period of Two (2) years of service / operation. For this, the Licensee shall give 6 month prior notice / intimation to LMRC. In such a case, Bid <b>Performance</b> Security of the Licensee shall be refunded after adjusting the outstanding dues, if any. If Balance outstanding dues are more than Interest Free Security Deposit/ Performance Security, it shall be recoverable from the other contracts of licensee in LMRC, before licensee is permitted to remove their establishment(s) or else LMRC will seize their property. However, LMRC will not pay any other compensation or consideration to Licensee and in this case all equipment shall become property of LMRC at Zero cost.	Annexure-9, Pg. 21R1
5	3rd bullet of Clause 4.3.2 of Tender Document, Pg. 15	Table under 'Criteria for Financial Evaluation'	Please refer revised table under 'Criteria for Financial Evaluation'	Annexure-10, Pg. 15 R1
6	4th bullet of Clause 4.3.2 of Tender Document, Pg. 15	<p>• LMRC will determine whether the financial proposals are complete, unqualified and unconditional. The cost indicated in financial proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the firm to be compensated and the liability to fulfil its obligations as per the TOR within the total quoted price shall be that of the firm. The highest Financial Proposal (FM) will be given a financial score (SF) of 100 points. The financial scores of other proposals will be computed as follow:</p> <p>SF = 100xF/FM</p> <p>(F= Percentage Revenue Share or MAG Amount of Financial Proposal)</p>	<p>• LMRC will determine whether the financial proposals are complete, unqualified and unconditional. The cost indicated in financial proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the firm to be compensated and the liability to fulfil its obligations as per the TOR <b>Tender</b> within the total quoted price shall be that of the firm. The highest Financial Proposal (FM) will be given a financial score (SF) of 100 points. The financial scores of other proposals will be computed as follow:</p> <p><b>Financial Score</b>, SF = 100xF/FM</p> <p><b>Where</b>, (F= <b>Percentage Revenue Share or MAG</b> Amount of Financial Proposal)</p> <p><b>(FM = Highest Percentage Revenue Share or Highest MAG)</b></p>	Annexure-10, Pg. 15 R1





7 S.No. 7, 8 & 9 of Clause 1.3(b) Notice Inviting Tender (NIT), Page 1 R1	<b>7. Last Date of issuing Addendum:</b> 28.08.2018 <b>8. Date &amp; Time of Submission of Tender :</b> 05.09.2018 up-to 15:00 Hrs. <b>9. Date &amp; Time of Opening of Tender (Technical Bids) :</b> 05.09.2018 @ 15:30 Hrs.	<b>7. Last Date of issuing Addendum:</b> <del>28.08.2018</del> <b>04.09.2018</b> <b>8. Date &amp; Time of Submission of Tender :</b> <del>05.09.2018</del> <b>11.09.2018</b> up-to 15:00 Hrs. <b>9. Date &amp; Time of Opening of Tender (Technical Bids) :</b> <del>05.09.2018</del> <b>11.09.2018</b> @ 15:30 Hrs.	Annexure-11, Page 3 R1
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### **CHAPTER-3: SUBMISSION OF BIDS BY BIDDERS**

- 3.1 The Bid should be submitted along with all the Annexures, clearly providing the details for fulfilling Eligibility Criteria. The Tender Documents shall be signed by the Bidder's Authorized Signatory.
- 3.2 Bidders are required to deposit non-refundable Cost of Tender Document (as specified in Notice Inviting Tender) along with their Bid. The Cost of Tender Document shall be acceptable in the form of Demand Draft/Pay Order in favor of "Lucknow Metro Rail Corporation Ltd." payable at "Lucknow". The Cost of Tender Document shall be submitted in person by the specified date and time to Chief Engineer/Contract, Administrative Building, Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand, Gomti Nagar, Lucknow-226010.
- 3.3 **Bid Security:**
- Bidders are required to deposit refundable Bid Security (as specified in Notice Inviting Tender) along with their Bid.
  - The Bid Security shall be submitted ~~in person~~ **along with Tender Submission** by the specified date and time to Chief Engineer/Contract, Administrative Building, Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand, Gomti Nagar, Lucknow - 226010. Bidders who fail to submit the requisite Bid Security along with the bid shall be declared as ineligible and the Bid submitted by them shall be summarily rejected. The Bid **Security** shall be valid for a period not less than 180 + 56 = 236 days (**i.e. Minimum upto 05.05.2019**) from bid due date.
  - The Bid Security of unsuccessful bidders shall be refunded after award of License without considering any interest thereof. The Bid Security of the Selected Bidder shall be adjusted against the Interest Free Security Deposit/Performance Security.
  - If the selected Bidder withdraws/alter their Bid at any stage, their Bid Security shall be forfeited by LMRC.
- 3.4 The bid shall be submitted by the bidder in two parts comprising of Technical Bid and Financial Bid. The Technical Bid shall include the details for fulfilling Eligibility criteria as laid down in this document. The Financial Bid shall include the financial offer of the Bidder in the manner prescribed in this document. Both the Technical Bid and Financial Bid shall be submitted by the Bidder on the same date as mentioned in the Tender Document. The offer of Bidder, who does not fulfill the Eligibility criteria, shall be summarily rejected. The Bidder shall enclose with their Bid an undertaking stating that all the necessary supporting documents, including audited accounts and financial statements, certificate(s) from its statutory auditors have been provided.
- 3.5 **Bid Submission:** The Bidder shall submit following documents in Technical Bid:
- Bid Security.**
  - Technical Bid**
    - Annexure - 2, (on Official letterhead of the bidder), 4, 5, 6, 7, 8,9 & 11
    - Self-attested copies of the PAN Card and **Goods & Services Tax (GST)** Registration Certificate (of lead member in case of JV/ Consortium). In case any or all of the provisions mentioned above are not applicable, the Bidder should give a declaration to that effect. Non submission will not be considered as exemption.
    - Copies of (duly audited and certified by a chartered Accountant) Profit and Loss Account/Balance Sheet of the sole proprietor concern or a partnership firm, Annual Report in case of a company as per the companies Act.
    - Copy of the complete Tender Document including Draft License Agreement (Annexure-13) and Addendum/ Corrigendum (if any) **duly signed and stamped on**





- The Licensee shall provide 500 Nos. of Queue Managers and 300 Nos. of Bollards(Conical Shaped) for Lucknow Metro Stations free of cost and in turn Licensee will be allowed to use these for advertisement and shall share the revenue earned out of advertising.
- Scope of work also includes:
  - a. All revenue generating advertising media on all outer surface of all Station building. All circulating and parking areas within the jurisdiction of Lucknow Metro.
  - b. Static and Digital Advertisement Spaces at indoor or outdoor locations of the Metro. It shall include without limitation:
    - Advertisement Spaces within metro building
    - Promotion / Activation Zones including Car / Bike display zone
    - Balloons
    - Wall Clocks
    - Security Check Trays
  - c. Events and Festivals at Metro— However, revenue from such activities shall attract separate revenue share at the bid rate and shall not be part of the activities for which MAG is applicable.

#### 5.2.2 For Advertisement Rights on Outside Civil Structures:

LMRC hereby agrees to provide (on as is where is basis) bare advertising spaces on outside civil structures (As per Annexure-1 B) on (Elevated) Section from Charbagh (excluding) to Munshipulia to be identified by Licensee. Licensee shall ensure that all these advertisement panels conform to LMRC specifications. Panels fabricated, installed and commissioned after approval of LMRC, hereinafter referred to as "Advertisement Spaces", solely for the purpose of carrying out the business of placement of advertisements hereto referred to as "the said business".

#### 5.2.3 In General Licensee shall be responsible for the following activities:-

- a) Preparation of an advertising plan for each station and on civil structures, which must clearly earmark exact locations and type of advertisement planned for each advertising site and other relevant details. LMRC shall consider the plan with respect to aesthetics, operational feasibility, safety and security concerns. If the part of plan is not approved by LMRC, Licensee is required to submit revised plan for approval. All further modification/ revision to plan shall be approved by LMRC.
- b) Designing of all advertising units/structures to complement station architecture for advertising sites.
- c) The advertiser shall provide the advertisement as per their requirement, subsequent to the approval of LMRC, as stipulated.
- d) Appoint an architect to interact with nodal LMRC representative to bring clarity in understanding of spaces, to coordinate and implement decisions taken.
- e) Operate, manage and maintain the entire advertisement plans.
- f) Management of sales & marketing of the advertising within stations including providing adequate professionally trained manpower.
- g) Design of themes depicting Lucknow culture and its natural beauty and Lucknow tourism for display at the advertising sites as per the tender conditions.
- h) Promote LMRC amongst India's top three Destination Brands for Advertising.
- i) Create new innovative advertising opportunities including Experiential Marketing, advertisements by visual aids, smart posters for use in e- commerce for on-line or off-line shopping purposes, etc.
- j) Obtain all approvals, permits, etc from all competent and required authorities, including different tiers of government, statutory, local, civic authorities, etc. at its own cost.
- k) Comply with all statutory requirements in connection with License Agreement.
- l) Ensure regular and timely payments of all amounts due to LMRC and discharge all obligations as per License Agreement.
- m) All taxes including Municipal/Advertisement Taxes, Goods & Services Tax (GST) and all other statutory dues where applicable shall be borne solely by the licensee without any contest.
- n) At present, LMRC is not liable to share its revenue generated from advertisements with local bodies including LMC, etc. However, if LMRC becomes liable to share revenue with local bodies from advertisements in future, then LMRC shall deposit the due share to local bodies out of its own funds. Licensee shall not be liable to part with any additional amount on this account.



Annexure-2

LETTER OF APPLICATION & INTEREST

(To be submitted (duly signed) by the Bidder or Authorized Signatory on Letter Head)

To

Chief Engineer/ Contract  
Administrative Building,  
Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal,  
Vipin Khand, Gomti Nagar,  
Lucknow-226010

**Sub:- "LKAR-03: Tender for awarding Exclusive Advertising Rights in 3 Nos. Underground & 8 Nos. Elevated Metro Stations and on civil structures of underground & Elevated section from Charbagh (excluding Charbagh Station) to Munshipulia of LMRC."**

Sir,

I / We understand: -

- 1.0 That this tender is to License out Exclusive Advertisement Rights inside (11 Nos.) Metro Stations (including 3 Nos. underground stations) and on Outside Civil Structures of Elevated Section from Charbagh to Munshipulia at Lucknow.
- 2.0 That the Advertisement Rights Inside selected Metro Stations are for a minimum area.
- 3.0 The Terms and Conditions governing the Tender to license out Exclusive Advertisement Rights on inside Metro Stations and on Outside Civil Structures of (Elevated) section from Charbagh to Munshipulia at Lucknow, and hereby agree to abide the same.
- 4.0 Agree to submit unconditional acceptance of LOA within 7 (Seven) days from the date of issue of LOA.
- 5.0 To deposit the first advance quarterly license fee for advertising space, within 75 (Seventy Five) days from the date of handover of the locations mentioned in Annexure-1 or ROD (Revenue Operation Date: Commissioning of Train Service for Public) whichever is later. Advertisements shall not be displayed on the Media erected thereof before ROD.
- 6.0 The selected Bidder(s) shall submit Interest Free Security Deposit/Performance Security to LMRC equivalent to half yearly (6 months) License Fee of the current License Fee.
- 7.0 The selected Bidder is required to deposit minimum 25% of the Interest Free Security Deposit/Performance Security upto Rs.10 lacs in the form of DD/PO only. 75% or remaining of Interest Free Security Deposit/Performance Security shall be submitted in the form of Bank Guarantee (BG)/Fixed Deposit Receipt (FDR).
- 8.0 That the Tender Security (EMD/ BID SECURITY) of the successful Bidder shall be adjusted against the INTEREST FREE SECURITY DEPOSIT.
- 9.0 That the License Fee shall commence after fitment period from the 76<sup>th</sup> day of handing over of the licensed space as per Annexure-1 or ROD whichever is later.
- 10.0 To sign the License Agreement within the prescribed time or on date as indicated by the authorized representative of LMRC, failing which, LMRC may deem that Bidder are not interested in the offer and forfeit all payments made in favor of LMRC. Bidder hereby voluntarily and unequivocally agree not to seek any claim, compensation, damages or any other consideration whatsoever on account of such forfeiture and also agree not to enter into any correspondence on this account.
- 11.0 That the cost of Stamp Duty for execution of License Agreement, Registration Charges and any other related Legal Documentation charges/incidental charges shall be borne by us.
- 12.0 That all Taxes/Municipal Taxes, if any, shall be solely borne by us. **Goods & Services Tax (GST)** as applicable from time to time shall also be paid by us.
- 13.0 Not to seek any claim or compensation from LMRC if certain advertisements are not permitted due to local laws/civil authorities. The maintenance of all advertisement inserts will be borne by us.





4. Minimum Monthly Annual Guaranteed (MAG) License fees quoted above is exclusive of all statutory taxes, dues, local levies, **Goods & Services tax (GST)**, etc. which shall be charged extra and shall be remitted along with the license fee for onward remittance to the government. Municipal Taxes, if any, shall be solely borne by licensee.
5. Minimum Annual Guaranteed (MAG) License fees and other maintenance Charges as well as Interest free Security Deposit / Performance Guarantee shall be escalated by 20% on successful completion of every 3 years, and so on.
6. At present, LMRC is not liable to share its revenue generated from advertisement in LMRC area with local bodies including Lucknow Municipal Corporation, etc. However, if LMRC becomes liable to share revenue with local bodies from advertisement in future, then LMRC shall deposit the due share to local bodies out of its own funds. Licensee shall not liable to part with any additional amount on this account.

Signed

(Name of Authorized Signatory)

For and on behalf of

(Name of the Bidder)

Designation:

Place :

Date :





- j) Obtain all approvals, permits, etc from all competent and required authorities, including different tiers of government, statutory, local, civic authorities, etc. at its own cost.
- k) Comply with all statutory requirements in connection with License Agreement.
- l) Ensure regular and timely payments of all amounts due to LMRC and discharge all obligations as per License Agreement.
- m) All taxes including Municipal/ Advertisement Taxes, **Goods & Services tax (GST)** and all other statutory dues where applicable shall be borne solely by the licensee without any contest.
- n) At present, LMRC is not liable to share its revenue generated from advertisements with local bodies including LMC, etc. However, if LMRC becomes liable to share revenue with local bodies from advertisements in future, then LMRC shall deposit the due share to local bodies out of its own funds. Licensee shall not be liable to part with any additional amount on this account.

#### 2.4 Exclusivity

Exclusivity is the essence of the Contract. Advertisement spaces including sponsorships and promotion zone shall be offered only to the Concessionaire on exclusive basis during the tenure of the Contract.

Any new opportunity as and when available shall be offered only to the Concessionaire as part of the Contract. In such cases where such new opportunity is of permanent nature, the Minimum Annual Guarantee shall increase at prorata rate. For example agreed MAG for 10,000 sq ft is Rs. 10,00,000. Thus per sq ft comes to Rs. 100. If the concessionaire proposes to take additional promotion space of 100 sq ft, the MAG would increase by Rs. 10,000 (100 X 100).

Advertisement by other partners of Metro (viz. Retail, Food & Beverage) shall not be allowed outside their allotted premises. However, minimum 5 sqm of advertising space or 3% of the advertisement space at each station whichever is higher shall be reserved for promotion of the Metro and related services / partners.

In case any new station on the corridor is commissioned, the same may become part of contract on mutual agreement with LMRC and Concessionaire and MAG shall increase at the same accepted rate. For example agreed MAG for 10,000 sq ft is Rs. 10,00,000. Thus per sq ft comes to Rs. 100. If the concessionaire proposes to take additional promotion space of 100 sq ft, the MAG would increase by Rs. 10,000 (100 X 100). However, all such contracts shall be co-terminus with the main contract.

#### 3.0 That the Licensee hereby covenants as follows:

- 3.1 Licensee hereby assumes responsibility for Exclusive Advertising Rights Inside Metro Station and on Outside Civil Structures of Section from Charbagh(excluding) Nagar to Munshipulia as specified in Annexure-I. Licensee shall be responsible for designing, procurement, manufacture, fabrication, installation, commissioning, management, operation, maintenance, marketing and selling advertisement spaces/opportunities as specified in this Agreement at its own cost. All the advertisement sites and formats proposed by the Licensee are subject to approval by LMRC with regard to operational feasibility, aesthetics, and safety and security concerns.
- 3.2 Licensee irrevocably agrees to make all payments including License Fee as per this Agreement as and when due without delay or demur and without waiting for any formal advice from LMRC.
- 3.3 The Licensee confirms having examined the potential locations Inside Metro Stations and On outside civil structures in detail and fully understands and comprehends the technical requirements of the advertisement insert/media. The Licensee also confirms full satisfaction as to the business viability of licensing the advertisement spaces and hereby voluntarily and unequivocally agrees not to seek any claim, damages, compensation or any other consideration, whatsoever, on this account. Licensee also confirms having made independent assessment of present and future market potential and no future claim whatsoever regarding change in market circumstances shall be used by it as an alibi for non-payment of License Fee and other amounts due to LMRC.
- 3.4 That LMRC and LICENSEE represent and warrant that they are empowered, authorized and able to enter into this agreement.





iv. There shall be pro-rate increase in the MAG due to increase in advertising area.

### 2.6.2 Definition of Revenue:

For the purpose of Revenue share calculation, Net Revenue is defined as the gross display amount billed by the Concessionaire to its Agent/Client( excluding production of posters etc.), as the case may be, directly or indirectly, in an arms length transaction, as reduced by the following:

- a) Agency commission, discounts, rebates, volume discount and credit notes granted to the advertising clients and agencies in the normal course of business
- b) All applicable taxes including advertising taxes
- c) Revenue generated from production of advertising material

An 'Arms Length Transaction' is defined as "a transaction in which the parties (a) are unrelated and unconnected and have no overt or covert common interest, (b) are dealing from equal bargaining positions and (c) neither party is subject to the other's control or dominant influence." Any such transaction is expected to reflect the true market value of the services provided and has been entered into with fairness, integrity and legality.

### 2.6.3 Revenue Assurance Mechanism:

- a) At the end of each year, the Concessionaire shall provide Audited Financial Statements to LMRCL along with a certificate to the effect that it has not entered into any transaction, in whatsoever form, with the Agents/Clients other than those that fall in the category of an Arms Length Transaction. Should there be any evidence of a related party transaction between the Concessionaire and its Agent/Client, which is not at arms length, at any point of time during the Agreement Period, LMRCL reserves the right to treat it as material breach on the part of Concessionaire.
- b) The Concessionaire shall pay all duties and taxes in consequence of its obligations under this Agreement, including customs duties, and the Revenue Share shall not be adjusted for such costs.
- c) Concessionaire shall open a separate Bank Account with a Scheduled Commercial Bank for this project. All receipts of this project shall be deposited in that account only. A copy of that account shall be provided by Concessionaire to LMRCL on a monthly basis.

2.6.4 The license fee shall be paid in advance on quarterly basis for the actual area handed over.

2.7 The License fee for minimum area of 1500.00 sqm. & 550 Sqm for inside metro stations (11 Nos.) and minimum area of 3000.00 sqm. for outside civil structures on elevated section from Charbagh (exluding) to Munshipulia, as per Annexure-1, shall commence immediately after fitment period of 75 days from the date of handing over of the available handed over area or ROD, whichever is later, and shall be charged until the termination/ completion of agreement. The Bidder voluntarily agrees not to seek any claim, compensation, damages or any other consideration whatsoever on any pretext whatsoever on account of his inability to fabricate, install and commission the advertisement panels.

2.8 Along with License Fee, Licensee shall also pay other dues like **Goods & Services tax (GST)**, statutory dues/liabilities, electricity charges, damage/penal charges, pending arrears, etc. as applicable time to time.

2.9 The License Fee and the Interest Free Security Deposit/Performance Security shall be escalated by 20% on completion of every 3 (three) years on compounding basis.

2.10 The license fee along with **Goods & Services tax (GST)** shall be paid to LMRC on Quarterly basis in advance to LMRC by the last working day of the previous quarter. This has also been illustrated below for better understanding of licensee –

- |  |   |  |
|--|---|--|
| • The Billing quarter                  | - | 1 <sup>st</sup> April - 30 <sup>th</sup> June  |
| • Period for the issue of invoice      | - | 1 <sup>st</sup> March - 15 <sup>th</sup> March |
| • Last Date of payment of Dues to LMRC | - | 31 <sup>st</sup> March                         |





- d) The selected Bidder is required to submit balance installment (75%) of Interest Free Security Deposit/ Performance Security within fifteen (15) days from the intimation of ROD (Revenue Operation /Trains Commissioning Date). Any request of successful Bidders for seeking any clarification/approval/document from LMRC shall be considered only after submission of requisite Interest Free Security Deposit/Performance Security. In case, the bidder fails to submit required amount of Interest Free Security Deposit/Performance Security within 15 days from date of intimation, penal surcharge payable to LMRC shall be as follows:

Days from intimation of ROD	Rate of penal surcharge
Up to 15 days	NIL
16th to 30th day	@ 3% flat on LOA Amount

After 30 days of issuance of intimation, if Bidder fails to comply with LOA conditions and does not deposit balance installment amount (75%) of Interest Free Security Deposit/ Performance Security (IFSD/PS), the agreement may stand cancelled and 25% IFSD Money submitted may be forfeited. No further request for extension in submitting of Interest Free Security Deposit/ Performance Security shall be considered. The bidder voluntarily and unequivocally agrees not to seek any claim, compensation, damages or any other consideration whatsoever on this account.

## 2.22 TAXES AND OTHER STATUTORY DUES

- a) All other statutory taxes, statutory dues, local levies, **Goods & Services tax (GST)**, etc. as applicable shall be charged extra and shall be remitted along with the License Fee for onward remittance to the Government. The Licensee indemnifies LMRC from any claims that may arise from the statutory authorities in connection with this License.
- b) Payment of stamp duty on execution of license agreement, if any, shall be borne by selected Bidder.
- c) Municipal Taxes, if any, shall be solely borne by selected Bidder.
- d) The Selected Bidder will not ask for any claim or compensation from LMRC if advertisements are not permitted due to local laws/civil authorities. The maintenance of all advertisement inserts will be borne by selected Bidder.
- e) At present, LMRC is not liable to share its revenue generated from advertisements at LMRC area with local bodies including Lucknow Municipal Corporation, etc. However, if LMRC becomes liable to share revenue with local bodies from advertisements in future, then LMRC shall deposit the due share to local bodies out of its own funds. Licensee shall not be liable to part with any additional amount on this account. Advertisements pertaining to achievements by different Governments, their Departments, Ministries, Government Undertakings, other Authorities or Political Parties shall be permitted. However, no advertisement of any political party, person violating "Model Code of Conduct" shall be allowed during the period whereby "Model Code of Conduct" has been enforced by Election Commission. Further, no advertisement which violates "Model Code of Conduct" shall be permitted during the period whereby "Model Code of Conduct" have been enforced by Election Commission. It should be ensured that all political parties and candidates get equitable opportunities to have access to such advertisements spaces for election related advertisement during the election period and the such spaces should not be dominated/monopolized by any particular party(ies) or candidate(s). Fair and equal opportunity has to be given to all parties/ candidates. Any type of audio advertisement shall not be allowed.



**Annexure-VI**

**LIST OF ABBREVIATIONS USED IN THE TENDER DOCUMENT**

1.	AoA	:	Article of Association
2.	DD	:	Demand Draft
3.	PO	:	Pay Order
4.	LMRC	:	Lucknow Metro Rail Corporation Ltd.
5.	UPVAT	:	Uttar Pradesh Value Added Tax
6.	DGM/Op.	:	Deputy General Manager/ Operations
7.	EMD	:	Earnest Money Deposit
8.	ID Card	:	Identity Card
9.	KVA	:	Kilo Volt Ampere
10.	KW	:	Kilo Watt
11.	LF	:	License Fee
12.	LOA	:	Letter Of Acceptance
13.	MoA	:	Memorandum of Association
14.	MoU	:	Memorandum of Understanding
15.	MRTS	:	Mass Rapid Transport System
16.	NIT	:	Notice Inviting Tender
17.	OMC	:	Other Maintenance Charges
18.	PO	:	Pay Order
19.	PoA	:	Power of Attorney
20.	SD	:	Interest Free Security Deposit/ Performance Security
21.	Sqm	:	Square meter
22.	<u>GST</u>	:	<u>Goods &amp; Services Tax</u>
23.	FOB	:	Foot Over Bridge
24.	SNR	:	Semi Naming Rights



## CHAPTER-6: TERMS AND CONDITIONS

- 6.1 License Fee for each year shall be higher of
- Revenue Share computed at the rate mentioned below
  - Minimum Annual Guarantee (MAG) for the year

**Note:**

- Revenue Share % shall be applicable for the entire tenure of Contract
- There will be 20% increase in MAG after every 3 years, and so on.
- Payment of License Fee shall be as follows:
  - Minimum Guarantee License fee shall be paid on quarterly basis in equal proportions.
  - At the end of each year, Revenue Share shall be compared with the MAG for that year. This comparison shall happen within 2 months of the end of the year
  - In case the Revenue Share is more than the MAG for that year, the differential shall be paid to LMRC, within 1 month of such computation
  - Quarterly revenue statement shall be provided by the Concessionaire to LMRC within 1 month of the end of the Quarter
  - Audited Annual Revenue Statement shall be provided by the Concessionaire to LMRC within 2 months of the end of the Year
  - Taxes, if any, shall be payable over and above the License Fee
  - License Fee payment shall be subject to Tax Deduction at source at applicable rates
- There shall be pro-rate increase in the MAG due to increase in advertising area.

### 6.2 TENURE OF LICENSE

- Tenure of License Agreement shall be 9 (nine) years, unless otherwise terminated by LMRC or surrendered by the Licensee. The tenure of License Agreement shall commence from the date of commencement date of License Fee i.e. 76<sup>th</sup> day of handover of the advertising spaces or ROD, whichever is later. The license period for additional advertisement space so handed over/allotted during the currency of the contract will be co-terminus with original license period.
- There shall be a lock in period of two years from the date of commencement of agreement.
- If the Licensee is desirous of terminating the Agreement before expiry of the Lock-in period, it can do so with six months notice and the Agreement shall deemed to be terminated on the date mentioned in termination/ surrender notice, subject to confirmation by LMRC. In such a case, Performance/ Security Deposit shall be forfeited. If Balance outstanding dues are more than Interest Free Security Deposit/ Performance Security, it shall be recoverable from the other contracts of licensee in LMRC, before licensee is permitted to remove their establishment(s) or else LMRC will seize their property. The Establishment(s) set up under this contract shall become property of LMRC and the Licensee shall have no claim for compensation or consideration / damages.
- The Licensee shall have option to exit from the License Agreement only after completion of Lock-in period of Two (2) years of service / operation. For this, the Licensee shall give 6 month prior notice / intimation to LMRC. In such a case, Bid **Performance** Security of the Licensee shall be refunded after adjusting the outstanding dues, if any. If Balance outstanding dues are more than Interest Free Security Deposit/ Performance Security, it shall be recoverable from the other contracts of licensee in LMRC, before licensee is permitted to remove their establishment(s) or else LMRC will seize their property. However, LMRC will not pay any other compensation or consideration to Licensee and in this case all equipment shall become property of LMRC at Zero cost.
- LMRC too can exit after giving 6 months notice to Licensee. In such an eventuality LMRC shall return the Security Deposit but equipment supplied shall become property of the LMRC on



- Offers received with Total MAG value (for all the three spaces together (in cell (4)) in financial bid form Annexure-3) lesser than minimum reserve MAG of Rs. 3.25 Cr. are liable to be rejected.
- Criteria for Financial Evaluation is as under-

S. No.	Criteria	Max Marks	Evaluation
A)	Proposed Revenue Share (%)	30	Bidder quoting the highest Revenue Share % shall get full marks <b>(i.e. 30 Marks)</b> . All other bidders marks shall get prorated based on the highest quote obtained.
B)	Minimum Annual Guarantee (MAG) for 1 <sup>st</sup> Year (In Rs. Lacs)	70	Bidder quoting the highest MAG shall get full marks <b>(i.e. 70 Marks)</b> . All other bidders marks shall get pro rata based on the highest quote obtained.
	<b>TOTAL</b>	<b>100</b>	

- LMRC will determine whether the financial proposals are complete, unqualified and unconditional. The cost indicated in financial proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the firm to be compensated and the liability to fulfil its obligations as per the TOR **Tender** within the total quoted price shall be that of the firm. ~~The highest Financial Proposal (F<sub>M</sub>) will be given a financial score (S<sub>F</sub>) of 100 points.~~ The financial scores of other proposals will be computed as follow:

$$\text{Financial Score, } S_F = 100 \times F/F_M$$

**Where, (F= Percentage Revenue Share or MAG Amount of Financial Proposal)**  
**(F<sub>M</sub> = Highest Percentage Revenue Share or Highest MAG)**

#### 4.3.3 Definition of Revenue:

For the purpose of Revenue share calculation, Net Revenue is defined as the gross display amount billed by the Concessionaire to its Agent/Client( excluding production of posters etc.), as the case may be, directly or indirectly, in an arm's length transaction, as reduced by the following:

- Agency commission, discounts, rebates, volume discount and credit notes granted to the advertising clients and agencies in the normal course of business
- All applicable taxes including advertising taxes

An 'Arm's Length Transaction' is defined as "a transaction in which the parties (a) are unrelated and unconnected and have no overt or covert common interest, (b) are dealing from equal bargaining positions and (c) neither party is subject to the other's control or dominant influence." Any such transaction is expected to reflect the true market value of the services provided and has been entered into with fairness, integrity and legality.

#### 4.3.4 Revenue Assurance Mechanism:

- At the end of each year, the Concessionaire shall provide Audited Financial Statements to LMRCL along with a certificate to the effect that it has not entered into any transaction, in whatsoever form, with the Agents/Clients other than those that fall in the category of an Arms Length Transaction. Should there be any evidence of a related party transaction between the Concessionaire and its Agent/Client, which is not at arm's length, at any point of time during the Agreement Period, LMRCL reserves the right to treat it as material breach on the part of Concessionaire.
- The Concessionaire shall pay all duties and taxes in consequence of its obligations under this Agreement, including customs duties, and the Revenue Share shall not be adjusted for such costs.
- Concessionaire shall open a separate Bank Account with a Scheduled Commercial Bank for this project. All receipts of this project shall be deposited in that account only. A copy of that account shall be provided by Concessionaire to LMRCL on a monthly basis.

#### 4.4 Combined and final evaluation:



**CHAPTER-1: NOTICE INVITING BID**

- 1.1. Lucknow Metro Rail Corporation (LMRC) Ltd. invites Open Tenders from eligible applicants, who fulfill qualification criteria as stipulated in Clause 1.5 of NIT, to **“License out Exclusive Advertising Rights in 3 Nos. Underground & 8 Nos. Elevated Metro Stations and on civil structures of Underground & Elevated section from Charbagh (excluding Charbagh Station) to Munshipulia of LMRC”**.
- 1.2. LMRC shall receive Bids pursuant to this Tender Document, in accordance with the terms set forth herein and as modified, altered, amended and clarified from time to time by LMRC. Bidders shall submit bids in accordance with such terms on or before the date specified in this document. The Bidders are **advised to visit** the site/stations and familiarize themselves with the proposed arrangements and all activities necessary in this regard.
- 1.3. **Salient features of Bidding Process:**
  - a) LMRC has adopted a two packet Bidding Process to select suitable highest Bidder(s) to grant Exclusive Advertisement Rights in Metro stations (3 Nos. Underground & 8 Nos. Elevated Metro Stations) and on Outside Civil Structures of (Underground & Elevated) Sections from Charbagh to Munshipulia.
  - b) Schedule of Bidding Process:

1.	Cost of Tender Document (Non-Refundable)	<b>Rs. 23,600/-</b> (Inclusive of 18% GST) (Demand Draft on a Scheduled Commercial bank based in India in favor of <b>“Lucknow Metro Rail Corporation Ltd.”</b> payable at Lucknow.)
2.	Bid Security	<b>Rs.20 lakh (Twenty Lakhs only)</b>
3.	License Period	<b>9 years</b>
4.	Sale of Tender Document	From <b>18 .07.2018</b> to <b>10.08.2018</b> (between 09:30 Hrs. to 17:30 Hrs.) on working days
5.	Last date of Seeking Clarification	16.08.2018
6.	Pre-bid Meeting	21.08.2018 @ 1500 Hrs.
7.	Last date of issuing addendum	<del>28.08.2018</del> <b>04.09.2018</b>
8.	Date & time of Submission of Tender	<del>05.09.2018</del> <b>11.09.2018</b> up-to 15:00 Hrs.
9.	Date & time of opening of Tender (Technical Bid)	<del>05.09.2018</del> <b>11.09.2018 @ 15:30 Hrs.</b>
10.	Date & time of opening of Tender (Financial Bid)	Will be informed later on after the evaluation of Technical Bids (only to the bidders who will successfully qualify the Technical Evaluation)
11.	Validity of Tender	180 days from the last date of submission of tender.
12.	Authority and place for purchase of tender documents, seeking clarifications and submission of completed tender documents	<b>Chief Engineer/Contract, Lucknow Metro Rail Corporation Limited, Administrative Building, Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand, Gomti Nagar, Lucknow-226010 (Email: cecontractlmrc@gmail.com )</b>

