

## Additional Information

### Contract AOM-01 Operation & Maintenance Services for the Chennai Metro Rail Project Phase 1

#### Part 1 - QUALIFICATION CRITERIA

##### 1. Qualification Criteria

For the Bidder to be considered a Qualified Bidder, the Bidder will need to demonstrate that it meets each of the following requirements (collectively, the **Qualification Criteria**):

- (a) the Bidder should not be liable for disqualification in accordance with Appendix 1;
- (b) the Bidder should demonstrate its Technical Capacity pursuant to paragraph 2 below; and
- (c) the Bidder should demonstrate its Financial Capacity pursuant to paragraph 3 below.

##### 2. Technical Capacity

2.1 For demonstrating its technical capacity and experience (the **Technical Capacity**), the Bidder shall be required to meet each of the criteria specified in sub-paragraphs (a) and (b) below:

- (a) The Bidder should have experience in operating and maintaining at least 1 (one) Representative Project for a continuous period of at least 3 (three) full financial years within the 5 (five) financial years immediately preceding the Bid Due Date, provided that the Bidder should have handled an average annual traffic of at least 50 million passengers in the 3 (three) financial years for which the Bidder is claiming experience.

*Explanation 1:* For the purposes of this paragraph 2.1(a), **Representative Project** means an urban or suburban mass rail rapid transit system:

- (i) with a total route length of at least 25 km (or two projects of at least 15 km or at least three projects of at least 10 km);
- (ii) with at least 5 km of its total route length being underground; and
- (iii) with a minimum service frequency of at least 10 trains per peak hour.

*Explanation 2:* For the purposes of this paragraph 2.1(a), **peak hours** means the hours during which the Representative Project has the highest frequency of trains.

- (b) The Bidder should have experience in commissioning at least 1 (one) Representative Project, whether as concessionaire or as O&M contractor, in the 10 (ten) financial years immediately preceding the Bid Due Date, provided that the Representative Project meets at a minimum at least one of the following criteria:

- (i) The Representative Project should have been designed to handle at least 10 million passengers per annum; or
- (ii) The Representative Project should have handled an average annual traffic of at least 10 million passengers per annum in the 3 (three) financial years immediately preceding the Bid Due Date.

*Explanation 1:* For the purposes of this paragraph 2.1(b), **Representative Project** means a mass rail rapid transit system with a total route length of at least 15 km (or two projects of at least 10 km).

*Explanation 2:* For the purposes of this paragraph 2.1(b), experience in **commissioning** shall mean experience in performing Pre-Operation Period tasks such as providing inputs and assistance on testing and commissioning of a Representative Project and other associated activities which include staffing, training, etc., in preparation for the commencement of passenger services at a Representative Project.

- 2.2 Bidders may quote experience in respect of a particular project to satisfy the technical criteria set out at both paragraphs 2.1(a) and 2.1(b) above.
- 2.3 The Bidder or Lead Member, as the case may be, may rely on the experience of its Affiliates in order to demonstrate experience under paragraph 2.1(a) and/or paragraph 2.1(b) above.
- 2.4 In relation to each Representative Project that the Bidder quotes to demonstrate its Technical Capacity, the Bidder shall submit the following safety documentation to demonstrate that it meets minimum safety accreditation levels:

Document	Purpose
Safety case or safety certification	Provides evidence of a systematic and risk reduction approach to maintaining and operating a rail enterprise.
Independent safety audit document prepared in last 24 months	Provides evidence of the level of safety adherence within the organization and identifies areas of best practice as well as deviation from stated safety requirements.
ISO 9001 compliance	Evidence of a systematic approach to managing processes across the organizational structure.
ISO 14001 compliance	Evidence of a learning organization utilizing the continuous improvement cycle.
Safety Management System	A document to demonstrate how compliance with regulatory and legal requirements is achieved.

### 3. **Financial Capacity**

3.1 For demonstrating its financial capacity (**Financial Capacity**), the Bidder shall be required to meet each of the criteria specified below:

- (a) The Bidder must have received an average aggregate annual revenue from or in connection with the operations of a mass rapid transit rail system, bus rapid transit (BRT), tramway or equivalent in the 3 (three) financial years immediately preceding the Bid Due Date of at least Euro 200 million (or equivalent) (the **Revenue Test**).
- (b) The Bidder must have a positive average Net Worth in the 3 (three) financial years immediately preceding the Bid Due Date (the **Net Worth Test**).

*Explanation:* For the purpose of this paragraph 3.1(b), the Net Worth for a financial year shall be calculated as the total assets minus the total liabilities of the Bidder, by reference to its audited financial statements for that financial year.

- (c) The Bidder is not affected by and has not been affected by any of the following events, conditions or circumstances during the past 10 (ten) financial years (the **Solvency Test**). For the avoidance of doubt, the Solvency Test will not be applicable to any event, condition or circumstance listed above which occurred more than 10 (ten) financial years prior to the Bid Due Date but which has led to a court order or conviction during the 10 (ten) financial years immediately preceding the Bid Due Date:
  - (i) The Bidder being declared bankrupt, being wound up, or having its affairs administered or conducted by any court, administrator, receiver, administrative receiver or other insolvency practitioner or any analogous situation arising from a similar procedure in any jurisdiction;
  - (ii) The Bidder having been declared by a court or other competent authority as being unable to pay its debts, or having made any composition or arrangements with creditors or having had the repayment of its debts suspended or any analogous situation arising from a similar procedure in any jurisdiction;
  - (iii) The Bidder being the subject of proceedings for a declaration of bankruptcy, compulsory winding up or administration or any similar proceedings in any jurisdiction or any analogous situation arising from a similar procedure in any jurisdiction;
  - (iv) The Bidder being convicted or otherwise being found responsible (or having any of its current or prospective directors, officers or other senior managers convicted or being found responsible) by any court, tribunal, regulatory, public or other competent authority for any breach of criminal, administrative or civil law or regulations which:
    - (1) related to any act of fraud or dishonesty for which a fine, penalty, damages, compensation or other payment was levied against the Bidder or Member or any of its directors, officers or managers; or
    - (2) resulted in the imprisonment of any current or prospective director, other officer or senior manager of the Bidder; or

- (3) resulted in the disqualification of any director or other officer of the Bidder from acting as such; or
- (4) resulted in the permanent or temporary suspension of the rights of the Bidder to operate any types of business, operation, service or network; or
- (v) Any other matter which is or would tantamount to any of the events, circumstances or conditions mentioned above in any jurisdiction; or which could reasonably be expected to be pertinent for CMRL to be aware of in the context of the award of the Contract,

3.2 The Bidder should demonstrate that it has the Financial Capacity, by providing:

- (a) its audited financial statements (including profit and loss statements) for the 3 (three) financial years immediately preceding the Bid Due Date; and
- (b) if the Bidder's audited financial statements do not state the segmental revenues earned by the Bidder from or in connection with the operations of a mass rapid transit rail system, bus rapid transit (BRT), tramway or equivalent, then in addition to submitting its audited financial statements, the Bidder shall submit its proforma unaudited financial statements duly certified by chartered accountant, stating the revenues earned by it from or in connection with the operations of a mass rapid transit rail system, bus rapid transit (BRT), tramway or equivalent for each of the 3 (three) financial years.

#### 4. **Demonstration of Technical Capacity and Financial Capacity by a Consortium**

If a Consortium is bidding, then the following conditions will apply:

- (a) The Technical Capacity shall not be demonstrated cumulatively, i.e. as the cumulative experience of one or more Members of the Consortium. Only the Technical Capacity of the Lead Member can be relied upon.
- (b) The Revenue Test may be demonstrated cumulatively, i.e., as the cumulative capacity of one or more Members of the Consortium, provided that:
  - (i) at least 50% (fifty percent) of the Revenue Test requirement shall be demonstrated by the Lead Member;
  - (ii) the remaining Revenue Test requirement is demonstrated by the other Members of the Consortium; and
  - (iii) each other Member demonstrates at least 25% (twenty five percent) of the Revenue Test requirement.
- (c) Compliance with the Net Worth Test and the Solvency Test must be demonstrated by each Member of the Consortium.

## Part 2 – Accessing the Bidding Documents

The Bidding Documents will be made available in the Project Data Room.

The Bidding Documents and the password to access the Project Data Room will be made available only on payment of a non-refundable fee (the **Bid Fee**), as specified below:

- (a) EUR 25,000 (Euro Twenty five thousand) or the INR equivalent to receive the Bidding Documents and the password for access to the Project Data Room; or
- (b) EUR 1,000 (Euro One thousand) or the INR equivalent in order to receive the Bidding Documents only, and thereafter EUR 24,000 (Euro Twenty four thousand) to receive the password for access to the Project Data Room.

For the avoidance of doubt, the payment of the Bid Fee (i.e., EUR 25,000 (Euro Twenty five thousand) or the INR equivalent) is a precondition to submission of the Bid.

The Bid Fee shall be paid to CMRL:

(a) by way of a crossed demand draft issued by a Scheduled Bank and payable at Chennai in favour of "Chennai Metro Rail Limited". The crossed demand draft should only be sent to Chief General Manager (Operations) Chennai Metro Rail Limited, "HARINI TOWERS", No: 7, Conran Smith Road, Gopalapuram, Chennai - 600 086, Tamil Nadu, India. Between 1000 to 1600 hours, on all working days; or

(b) by telegraphic transfer/RTGS to CMRL's designated bank account, details of which are as follows:

Account No.:	CBCA 01000531
Name of the bank:	Corporation Bank
Address:	Ashok Nagar Branch Nu-tech Vikash 58, First Avenue, Ashok Nagar Chennai 600 083
SWIFT:	CORPINBB122
IFSC:	CORP0000578

Along with the payment of the Bid Fee, the Bidders shall be required to submit the following details:

- (a) name(s) of Bidder paying the Bid Fee and name(s) of all Members of the Consortium (if a Consortium is being formed);
- (b) address of the Person paying the Bid Fee;
- (c) details of the contact person; and
- (d) all contact details (telephone, fax, e-mail and website) of the Person paying the Bid Fee.

For the avoidance of doubt, if a Bidder has already paid the Bid Fee at the time of responding to the request for expressions of interest issued by CMRL on 11 March, 2011, then the Bidder will not be required to pay any additional amount to obtain access to the RFP or the Project Data Room, provided that such Bidder has provided the details mentioned in the paragraph above.

## Appendix 1 – Eligible Bidders

Bidders (including all Members of Consortia, if any) must meet each of the requirements stated below. Each Bidder should meet each of these requirements on the Bid Due Date and during the validity of the Bid.

If a Bidder is a Consortium, then the term Bidder as in this Appendix 1, shall (unless stated otherwise) include each Member of such Consortium; and the term Affiliate as used in this Appendix 1, shall include all the Affiliates of each Member of such Consortium. The Consortium shall have not more than 4(four) Members.

### 1.1

- (a) A Bidder shall not be one of the following:
  - (i) a Person which has been engaged by CMRL to provide consulting or advisory services in relation to the award of the Contract;
  - (ii) any Affiliates (including a parent firm) of a Person mentioned in subparagraph (i) above; or
  - (iii) a Person who is engaged in consulting services in relation to the award of the Contract lends, or temporarily seconds its personnel to the Bidder, if the personnel would be involved in any capacity for the award of the Contract.
  - (iv) a Person who lends, or temporarily seconds its personnel to Persons who are engaged in providing consultancy or advisory services in relation to the award of the Contract or the implementation of the Project, if the personnel would be involved in any capacity for the award of the Contract or the implementation of the Project.
- (b) A Bidder shall not be under a declaration of ineligibility for corrupt or fraudulent practices.<sup>1</sup>
- (c) A Bidder (and if the Bidder is a Consortium, the Lead Member of such Consortium), should not have received any claims for material non-performance from and should not have been a party to any contractual disputes, litigation or arbitration or threat of a dispute, litigation or arbitration involving the commencement or continued provision of operation and maintenance services, where:
  - (i) any owner of a mass rapid transit system, metro or light rail transit (LRT) with whom the Bidder or its Affiliate has entered into an O&M agreement; or
  - (ii) government authority that has granted the Bidder or its Affiliate a concession for a mass rapid transit system, metro or light rail transit (LRT),

is the other party, in the 3 (three) years preceding the Bid Due Date.

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<sup>1</sup> The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process. Notwithstanding anything to the contrary contained herein, CMRL may reject a Bid without being liable in any manner whatsoever to the Bidder if it determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process.

- 1.2 The Bidder may be a single Person or a Consortium. However, no Bidder applying individually or as a Member of a Consortium, as the case may be, can submit another Bid or be a Member of another Consortium for the award of the Contract. A Bidder who submits or participates in more than one Bid shall cause all the Bids with the Bidder's participation to be disqualified.
- 1.3 A Bidder may be a private/public entity, government-owned entity or any combination of them.
- 1.4 A Bidder shall not have a conflict of interest (a **Conflict of Interest**) that affects the Bidding Process. A Bidder that is found to have a Conflict of Interest shall be disqualified. A Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:
- (a) such Bidder or an Affiliate of such Bidder Controls, is Controlled by or is under common Control with any other Bidder or any Affiliate thereof; provided that this disqualification shall not apply if:
    - (i) the Person exercising Control is a bank, insurance company, pension fund or a financial institution; or
    - (ii) any direct or indirect ownership interest in such other Bidder or Affiliate thereof is less than 26% (twenty six percent);
  - (b) such Bidder is also a constituent of another Bidder; or
  - (c) such Bidder or its Affiliate receives or provides any direct or indirect subsidy, grant, concessional loan, subordinated debt or other funded or non-funded financial assistance from or to any other Bidder or such other Bidder's Affiliate; or
  - (d) such Bidder has the same legal representative for purposes of this Bidding Process as any other Bidder; or
  - (e) such Bidder or its Affiliate has a relationship with another Bidder or such other Bidder's Affiliate, directly or through common third party or parties, that puts either or both of them in a position to have access to each others' information about, or to influence the Bid of either or each other.
- 1.5 A Bidder who has engaged any legal, financial or technical advisor of CMRL, IFC or the General Consultant ( either directly or indirectly, itself or through an Affiliate, in relation to the award of the Contract or in relation to any matter incidental to or regarding the Metro Rail System, shall be liable to be disqualified. However, this disqualification shall not apply where such advisor was engaged, either by the Bidder or by an Affiliate of that Bidder, in the past and there has been no active assignment in relation to the Metro Rail System for at least 18 (eighteen) months prior to the Date of RFP.
- 1.6 If any Person or any of its Affiliates has been barred by any central, state or local government or government instrumentality in India or in any other jurisdiction to which such Person or its Affiliates belong or in which such Person or its Affiliates conduct their business, from participating in any project similar to the Metro Rail System, and the bar subsists as on the Bid Due Date, such Person shall not be eligible to submit a Bid, either individually or as a Member of a Consortium. If CMRL finds that the Bidder or a Member of a Consortium is so barred, then CMRL may disqualify the Bidder from participation in the Bidding Process.