

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.2010/TG-III/645/12

New Delhi, dated 16.06.2011

The General Managers(Catg.),
All Indian Railways.

The Managing Director, IRCTC,
New Delhi.

Comm. Circular no.31/2011.

**Sub: Instructions for awarding of Train Side Vending(TSV) contracts by
Zonal Railways.**

In reference to Para 10 of Catering Policy, 2010 dated 21.07.2010 issued under Commf. Circular No.35/2010, the detailed guidelines for awarding of Train-Side Vending (TSV) by the Zonal Railways, has been examined by Ministry of Railways. Accordingly, detailed instructions on Train-Side Vending have been formulated and are enclosed for implementation with immediate effect. Further, while allotting the Train-side vending, Railways may please follow the detailed guidelines mentioned in Catering Policy, 2010 applicable for major units.

These instructions supersede all prior policy circulars/instructions issued from time to time unless specifically referred to in these instructions. However, the TSV contracts which have been awarded by IRCTC shall be allowed to continue in compliance of Para 26.1.1 & 26.1.2 of Catering Policy, 2010, Commercial Circular No.35 and No.2009/TG-III/600/25 dated 21.7.2010.

These instructions have the concurrence of Finance Dte. of Ministry of Railways.

Encl.: As above.

Mani Anand
(Mani Anand)
Executive Director(T&C)
Railway Board

Copy to :

1. FA&CAO, All Indian Railways (with five spares) for information.
2. ADAI/Railways (with 36 spares copies).

Amul
For Financial Commissioner/Railways

Detailed instructions for awarding of Train side vending (TSV) contracts by Zonal Railways.

Since providing pantry cars in each and every train is not achievable and also economically not viable, it has been decided by Board to introduce train side vending (TSV) as per following guidelines.

- Zonal Railways will take over the management of trains through departmental supervision as far as possible. If required, the facilities in existing static units are to be augmented to meet the requirement of train-side vending.
- However, if the above is not possible immediately, then TSV licenses are to be finalized based on open, competitive, 2-packet tendering system.
- Appreciating the fact that the transition to the new system may take some time, the licenses can be considered on 2-packet limited tender basis as an interim measure for a limited period, from the licencees of existing major static units. The limited tender should be for a period of 9 months further extendable by 3 months only from the date of awarding the tender or finalization of the open tender whichever is earlier. However, in case it is not possible to finalise the open tender owing to exceptional circumstances, new two packet limited tender may be invited not more than one more time (i.e. a maximum of 2 times) with the personal concurrence of FA&CAO and approval of GM.

Detailed guidelines are as follows:

1. The originating Railways will draw a list of such trains in which Pantry car services have not been provided and in which the requirement of catering services exists. The above list of trains shall be prepared by the originating zonal railways in consultation with the adjacent zonal railways through which the train passes. The requirement of catering services include the supply and arrangement of breakfast, lunch, evening tea and dinner. The requirement of snacks / hot and cold beverages etc. may also be considered if required by the zonal railways.
2. Once the list of trains is finalized, the originating Zonal Railways shall identify, nominate and notify the meal pick up / service points / station / stations, for supply of catering services on such trains for a particular section.
3. In case, there is any dispute regarding the nomination of station / stations between two zonal railways, then the matter may be referred to the Board for its resolution.
4. The originating zonal Railways shall complete the above exercise within **one month** of issue of this TSV instructions.
5. In TSV, the segregation of services (i.e. breakfast / lunch/dinner etc. at different stations by different licensees) should always be preferred and only rarely under special circumstances, provision of a combined end to end service may be made. Segregation in services not only has the advantage of promoting variety and competition in catering services but also avoids monopoly.
6. To ensure that this segment of catering is not monopolized by a few players, ceiling limit as defined in para 19 of catering policy 2010 should be strictly followed.

7. Reserve Price:

7.1. Reserve price may be fixed based on a sale assessment to be done by a committee comprising of 3 JAG grade officers, one each from Commercial, Finance & Stores department. The committee shall assess the demand of meals (breakfast/ lunch/dinner etc.) in the particular train between two pairs of stations. Based on the expected demand, the license fee based on a minimum of 12% of expected sales turn over from the activity will be the reserve price. The contract will be awarded to the highest bidder over & above the reserve price during the two packet bidding process.

8. Eligibility Criteria for non-departmental units

Essential criteria will be as under:

- (i) For open tender: The application to be invited through open tender to ensure participation of experienced professional, existing major static units and new players.
- (ii) For limited tender : The application to be invited through limited tender to ensure participation from eligible existing static units licensees.
- (iii) The applicant must have a minimum of five years experience in the field of catering/hospitality business.
- (iv) The static units must have the kitchen facility preferably standard/modern mechanized kitchen to make and supply of food items to meet the requirement of passengers. The average number of meals prepared per day by the bidder in his kitchen should not be less than 200.
- (v) The static units should have sufficient trained man power which includes staff such as cook, assistant cook, helpers etc., which should not be less than 2.
- (vi) The applicant should have sound financial capacity, so as to make arrangements for supply of food which may be determined from turnover of applicant's business in catering from last 5 years, which should not be less than 50 lakhs.
- (vii) Annualized value of the largest catering contract completed in the preceding 5 financial years should be more than 10 lakhs.
- (viii) Average financial standing of the bidder in the preceeding 5 financial years should not be less than 20 lakhs.
- (ix) Static unit should not have any court case against Railways.
- (x) The applicant should be an income tax payee having valid ITCC.

The eligibility criteria should be defined in advance with the approval of CCM and concurrence of FA&CAO.

9. Tender Process

9.1 The open tender as well as limited tender will have 2 packet system:

Packet 'A' will contain bid for responsiveness and fulfillment of eligibility criteria.

Packet 'B' will contain financial bid i.e. amount to be offered as license fee to the Railways by the party subject to minimum of 12 % of expected sales turn over from the activity will be the reserve price.

9.2 One who qualifies the Packet 'A' bid i.e. successful applicant will only be eligible for participation in opening of packet 'B'.

9.3 A committee of 3 Zonal Railway head quarter officers(level to be decided by Zonal Railways based on the value of the tender) including one member each from finance, commercial and stores will shortlist and finalise the tender.

10. Domain knowledge experts to be consulted for best menu at reasonable rates as per market conditions for customers of different classes.

11. The details of menu (including regional cuisine) as well as their rates to be made available in the tender paper, so that applicant can quote their bid accordingly.

12. To ensure availability of affordable food to passengers, adequate quantities of Janta Khana, Regional cuisine packages etc. should be made available at rates fixed for Jan Ahaar i.e. value between Rs. 5/- to Rs. 30/-. **It should be ensured that Standard meals are always available in Train side vending and Regional cuisine should be as per Jan Ahaar rates.**

13. TSV services from major static units be encouraged in a way that the passenger is given (through wide publicity) a pre-fixed mobile / telephone number so that orders for supply of eatables can be given by him by SMS to the selected /identified TSV units in advance. This will gradually reduce the need of vendors traveling on trains to collect orders. There can also be a tie up with a mobile service provider with the catering unit for this.

14. There should be zero tolerance for unsatisfactory quality of food /service and this may be ensured by imposing deterrent penalty on all short comings. Zonal Railways will also ensure a mechanism for monitoring the catering services provided by TSV.

15. For deficiency in any parameter, licensee will be suitably counseled. In case the deficiency persist, a written warning shall be issued to licensee. However, if the performance of licensee does not improve, the licensee shall be imposed with a penalty (fine). The details of the fines to be imposed by commercial officers entrusted with the responsibility of catering, would be as under:

Junior/ Senior scale: Rs. 5,000 maximum in each case

JAG/ SG level: Rs. 10,000 maximum in each case

SAG level & above: Rs. 20,000 maximum in each case

In case, more than 5 fines have been imposed on the licensee, Railway, with the approval of CCM, may decide to serve a notice for termination of license agreement.

16. A system for obtaining regular feedback from passengers on the services provided by TSVs may be developed by Zonal Railways so that suitable modifications can be incorporated in the scheme.

17. In departmentally managed static units where adequate manpower is available, Passes may be issued to the bearers who will provide Service of meals/snacks and hot and cold beverages, as required between 2 pairs of stations on such trains in a programmed manner.

18. Passes may be issued to the staff between pairs of stations for which TSV has been authorised. However, number of vending passes may be kept to the bare minimum,

depending upon the sales turnover and composition of train subject to a maximum of 8 to 10 vendors per train.

19. In order to avoid misuse of vending passes, it must be ensured that the bearers of the departmental units or that of licencees should have a separate identity Card with their photographs affixed on them, which should be issued/attested by a commercial officer with validation period. They should have a valid medical certificate. The bearers should have proper uniform and must display their nameplates along with name and station of the licencees.

20. Zonal Railways will exercise regular checks of such trains to ensure that services provided through train-side vending are good and food is provided in hygienically packed containers. Railway would allow food items at economic prices which are popular in the region like choley-bhaturey, idli-vada, upma-vada, vegetarian/non vegetarian biryani, bread slice-boiled egg, bread slices samosa, bakery products, tea, coffee, cold drinks, PAD etc., which are easy to prepare and dispense without requiring heating arrangements.

21. Zonal Railways may keep in view the late running pattern of trains. In such cases, even up to two adjacent train stopping stations, if available, with adequate facilities should be nominated.

22. The catering items to be supplied in TSVs have to be in take-Away packets which do not require a vendor to normally travel to collect used plates/thalis/cutlery, etc. Eco-friendly bio-degradable attractive packing material should be used in the Take-Away packaging. A nominal additional charge be levied as approved by the CCMs of Zonal Railways for eco-friendly bio-degradable packaging of two/three type of meals.

23. Railway should, however, ensure that in the case of train side vending, staff does not prepare meal/tea/coffee in the running train. Meals/Food must be pre-cooked & packaged and picked up from the kitchens and bearers will only serve in the running train.

24. The service is to be done by vendors in clean and tidy uniforms who carry a proper Menu card with tariff clearly indicated. Proper cash memo with display of rates including date of manufacture/packaged on items must be ensured.

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