

SOUTH DELHI MUNICIPAL CORPORATION
OFFICE OF THE DEPUTY COMMISSIONER (Advt.)

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**OPEN TENDER FOR ALLOTMENT OF ADVERTISEMENT RIGHTS THROUGH 10
 CLUSTERS OF UNPOLE SITES ON MONTHLY LICENSE FEE BASIS IN SOUTH
 ZONE, SDMC**

No: CO/Tender/SZ/Advt./SDMC/2016/D-1546

Dated: 09/03/2016

Sub:- Reply in respect of the Pre-Bid queries received in the Department along with amendments/changes made thereof.

Ref: NIT No. CO/Tender/SZ/Advt./SDMC/2016/D-1511 dated 26.02.2016.

Following are the suggestion/queries received from under mentioned Associations and Advertisement firms, which are submitted below with reply and along-with amendments/changes made thereof, wherever required:-

1. The DOAA vide their letter dated 02.03.2016.
2. M/s Mohan Media (A unit of Mohan Tractors Pvt. Ltd).
3. M/s Interactive Communication Services (i) Pvt. Ltd.

Suggestions/queries of prospective bidders and reply of department as below :-

1. Delhi Outdoor Advertisement Association:-

Sl. No	As per Tender Document	Suggestions	Department Reply
1.	Eligibility Criteria – Turnover & Net Worth : As per Tender documents, Eligibility Criteria is based on Average Turnover and Average Net Worth of 3 Years.	We suggest and request following: - Instead of Average Turnover, highest be taken for consideration. Alternatively, escalation of 5% per annum be allowed for calculating update value of Turnover for that particular year (permitted by DMRC in their tenders). Instead of Average Network for last 3 years, Network as on 31 st March, 2015 may please be considered. Network of any company is calculated on a particular date and is accumulated value of accrues profits/reserves. The same increases every year with addition of profits and averaging it for last 3 years will only	The last financial year net worth shall be considered i.e. net worth as on 31.03.2015. Accordingly Clause 3 of tender document is amended as under: 3. Eligibility Criteria a. The bidder should be in Advertisement business for at least one year. The date of determination would be the last date of submission of bid. The work order/copy of agreement for advertisement work along with performance report of the said advertisement work either executed or in progress should be submitted along with the bid. b. The current no dues certificate issued by the concerned organization who have issued the work order/award

	<p>reduce the actual capacity of any bidder w.r.t. Network criteria. Hence, the last Net Worth (As on 31st March, 2015) be allowed for consideration.</p>	<p>letter to the bidder should also be submitted.</p> <p>c. Current No dues certificate issued under the signature of CO/AC, Advertisement Department, SDMC.</p> <p>d. The bidder should not have made any losses in the last three financial years. The net worth of the bidder during last financial year should be minimum 25% of the annual MRP (Minimum Reserve Price) of the cluster/clusters for which the bid is submitted by the bidder. The minimum net worth and MRP for each cluster are calculated as mentioned below in the table. The net worth of the company should be duly certified by a Chartered Accountant.</p> <p>e. The Minimum annual average financial turnover of the bidder during the last three financial years must be as follows:</p>
<p>2. Time period for deposit of Security Deposit and Advance MLF : A time line of 7 days for deposit of 3 Months MLF towards Security Deposit (Bank Gaurantee) and 3 Months Advance MLF has been given from the date of issue of Offer Letter.</p>	<p>As suggest and request if the said time is increased to minimum of 10 working days from the date of issue of offer letter. Please appreciate that Security Amount is to be deposited by way of Bank Gaurantee which will take minimum of 5-6 days time for the Bank of prepare.</p> <p>Also the payments deposited by bidders towards EMD may be refunded to H-1 bidders immediately (incase surplus amount even after adjustment towards 3 Months MLF is due refundable) aso that the said funds can be used for preparation Bank Guarantee.</p>	<p>There is no need to change the time period for deposit of Security Deposit, Advance MLF and other required formalities as mentioned in the tender document. Hence the clause 14 of tender document shall remain same.</p> <p>As per clause 17(ii) of the tender document, the EMD deposited by H-1 bidder of any cluster shall be adjustable in the Security deposit only. The security deposit will not be adjusted against M.L.F of the current contract but the same will be either adjusted against the dues liability of other sites of the same advertiser with SDMC.</p> <p>However, there is no specific condition regarding the refund of surplus amount in case the bidder applied for all or few clusters and declared H-1 in one cluster or clusters less than the applied for. Hence, following modification is required in Clause 17 (i) & (ii) in addition to the existing condition which is as under :-</p>

17. Earnest Money Deposit / Security Deposit / Bank Guarantee/ Advance Monthly quarterly License Fee

i. Earnest Money Deposit:

The bidder shall have to deposit Earnest money deposit as mentioned in the clause No. 4 (g) in form of Bank Draft/Pay Order/Bankers Cheque for each cluster/clusters of unipole sites of South Zone, the EMD (Earnest Money Deposit) for each cluster/clusters shall be of amount as mentioned in Annexure – '1', along with the bid. Bid submitted without the earnest money deposit shall be summarily rejected. The earnest money deposit of unsuccessful bidders found not qualified on technical ground shall be refunded on written request of the bidder and the earnest money of remaining unsuccessful bidders, who are technically qualified shall be refunded on written request of bidder after award of work. In case, the bidder bids for all the clusters and deposits EMD for all the clusters and found successful for one or more clusters less than the clusters applied for, in that case, the EMD deposited by the bidder for the applied clusters shall be adjusted in the Security Deposit of cluster/s in which the bidder is declared as H-1 bidder. In case, the amount of EMD deposited by the successful bidder of cluster/s is found more than the required security deposit of that particular cluster(s), in that circumstance,

the balance amount shall be refunded to the bidder immediately after the award of work or the same shall be adjusted in other contract towards license fee, if so requested by the H-1 bidder in writing.

However, the Earnest Money Deposit can be forfeited on account of any of the following reasons:

- (a) If the successful bidder (H-1 Bidder) does not accept the offer of allotment within 7 working days (seven days) of issue of **offer letter** or if the bidder withdraws the proposal during the validity period specified in tender.
- (b) If the bidder does not respond to request for clarification of its proposal,
- (c) If the bidder fails to provide required information during the evaluation process,
- (d) If the bidder resorts to malpractices with an ulterior motive to affect the chances of rival bidders which includes cartelization/sudden complaints/malicious newspaper reporting about competing bidders post the phase when the tender has been published.
- (e) If he has made misleading or false representations in the tender document submitted by him in the tender.

ii. **Security Deposit:**

A Bank Draft/Pay Order/Bankers Cheque/Bank Guarantee in favour of Commissioner, SDMC by a Scheduled/ Nationalized



		<p>bank for an amount equivalent to the 3 (Three) times of the Monthly License Fee (MLF) of the advertisement cluster/clusters (as quoted by the advertiser /bidder or as negotiated), has to be deposited with in seven working days after issue of offer letter to successful highest bidder for each cluster separately. However, in the event of deposition of security deposit by way of Bank Guarantee the period of the same shall be for the entire contract period plus 3 months i.e. for 39 months. The EMD may be adjustable in the Security deposit. In case, the amount of EMDs is more than the security deposit, then the balance amount shall be adjusted in the advance MLF in case the successful bidder submit a request in writing to the Department. Further, after adjustment of EMD amount in security deposit and also in advance MLF, the remaining amount from total EMD, if any, shall be adjusted in the advance MLF of next quarter in case the H-1 bidder (Successful bidder) submits a written request in this regard, otherwise the surplus amount shall be refunded if requested by the successful bidder. The security deposit will not be adjusted against M.L.F of the current contract but the same will be either adjusted against the dues liability of other sites of the same advertiser, with SDMC or will be refunded to the bidder after successful completion of contract period, without any interest upon it however, subject to deductions/</p>
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<p>3. Interest on delayed payment: Interest on delayed payment is to be charged will be charged @ 24 % per annum.</p>	<p>As per present practice, the Deptt. is charging exorbitant rate of 6% on a single day of delay. For eg. Payment for Jan-March quarter is payable by 31st Dec, but if the advertiser remits MLF even on 2nd Jan, interest @ 6% is levied on the total 3 months amount. Interest should be charged @ 24% per annum is okay but should ne based on the number of days delayed calculated from 31st Dec (due date) to the actual date of payment.</p>	<p>As per the Clause 18 of Tender Document, the interest is levied for entire month @ 24 % Per Annum, in case of payment delayed even for a single day from the due date. Hence, no change is required.</p>
<p>4. Calculation of Average Site Rate: The basis of calculation of deriving the Average Site Rate of any cluster to be used for additional unipoles/remission is not clear.</p>	<p>We suggest and request of the Average site rate if calculated on the basis of number of displays/faces in a particular cluster & not the number of sites. For eg. Of any Cluster has 10 sites (5 of which are single & 5 are Double sided) meaning there are 15 displays, the average per site rate of this cluster amount by 15 and not 10 please clarify on this.</p>	<p>In each cluster, the Department had first calculated the proposed MRP of single unipole site in both cases i.e. MRP of one unipole site with single side display and MRP of one unipole site with double side display respectively. Thereafter the factor of number of such sites also considered while arriving at the total MRP of that particular cluster. However, for bidding purpose, the department had asked single quoted rate for particular cluster irrespective of number of single side display unipole site/s or number of double side display unipole site/s.</p>
<p>5. Surrender of Sites : Clause no. 25 (v) states that Advertiser is bound to operate the site even after surrender period if desired by SDMC and not non-compliance can result in penal action/blacklisting. Is not required; hence</p>	<p>This clause is totally unjustified and should be removed. Any advertiser will only surrender in case he is making notice period, which is enough time for SDMC to make alternative arrangements. Directing the advertiser to operate the contract even after surrender and that too with penal action is highly un-reasonable hence this</p>	<p>Considering the request of bidders and also considering the municipal prospects, the Clause 25 (v) is amended as under :- SURRENDER (i) In the case of surrender of the advertisement contract of the cluster/s the contractor shall have to give at least 90 days'</p>

<p>the deletion of the same is suggested.</p>	<p>clause should be removed.</p>	<p>notice, but not before the lapse of 9 months of the start of the contract, so as to enable the South DMC to examine the notice and to take decision and to make alternative arrangement for running of advertisement cluster/clusters for safeguard of municipal revenue.</p> <p>(ii) In the case of surrender of the contract, security deposit shall not be adjusted against the license fee of remaining months and shall be either forfeited or refunded. All submissions, if any made till the date of determination will stand forfeited in favour of the Licensor (South DMC)</p> <p>(iii) Forfeiture of Security Deposits: In case of termination/ cancellation of the contract except for force majeure the security deposits shall be forfeited.</p> <p>(iv) The contractor, who has surrendered advertisement contract, shall not be eligible to participate in the tender process/ auction of the same advertisement contract again for two consecutive terms. To this effect an undertaking shall be given by the contractor.</p> <p>(v) To safe guard the interest of SDMC, the SDMC shall re- invite the tender of unipole sites in particular cluster as may be offered for surrender by any contractor or SDMC shall consider any alternative arrangements as decided by Commissioner SDMC and accordingly the date of determination shall be the 90 days from the date of receiving of letter by the department for surrender. In</p>
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