

**Project Information Memorandum**  
**for**  
**No. 2020/Trans.Cell/Elect./Train/XI for**  
**PPP in Passenger Train Operations in Cluster-11 (Chennai)**

**Disclaimer:**

This Project Information Memorandum Document (PIM) aims to provide, the prospective applicants, with an overview and a broad understanding of the proposed Passenger Train Operations in Cluster-11 (Chennai) Project of the Ministry of Railways.

The details given in this PIM are selective and indicative, to help the applicants acquaint themselves with the nature and scale of project. The details of project shall be shared afresh at the RFP stage. Anything contained in this PIM shall not be the basis for a commercial decision and / or the basis of agreement between MoR and applicant.

**Background**

1. Ministry of Railways, Government of India (the “**Authority**”) is engaged in the development of railways. The Authority’s railway network is about 68,000 route kilometers. In the year 2018-19, the reserved passenger volume was 16% (0.59 billion) of the total originating non-suburban passengers (3.65 billion). Almost 8.85 crore of waitlisted passengers could not be accommodated.
2. There is hence a critical requirement to introduce private participation in passenger train operation which will allow introduction of next generation technology and provision of higher service quality, ensuring use of improved coach technology and reduced journey time. In this direction, Authority has decided to permit private entities to undertake passenger trains operations.
3. These train services would be operated on the Indian Railway Network where at present both passenger and freight trains operated on the common track. The major trunk routes are saturated and operate at near full capacity. However, with planned commissioning of Dedicated Freight Corridors in 2021 and other infrastructural works, there would be availability of additional paths for operation of additional passenger services and it would therefore be possible to run additional services utilizing modern trains proposed in the current initiative.
4. The private entities for undertaking the project would be selected through a **two-stage competitive bidding process** comprising of Request for Qualification (RFQ) and Request for Proposal (RFP). RFQ process will be for pre-qualification and shortlisting of bidders based on their financial capacity who will be required to offer **share** in the **Gross Revenue** at RFP stage (bid parameter) for undertaking the project. The definition of Gross Revenue which is under consideration is as below:

- (A). *Any amount accruing to the concessionaire from the passengers or any third party from the provision of following services to the passengers on account of running of trains under the concession agreement:*
- (a) *Amount printed on ticket- fare;*
  - (b) *Amount from preferred seat options, baggage/ luggage, cargo/ parcel (if not included in the ticket fare);*
  - (c) *Amount from on-board services such as – catering, bed roll, content on demand, wi-fi (if not included in the ticket fare).*
- (B) *Any amount accruing to the concessionaire on account of advertising, branding and naming rights pursuant to the concession agreement.*

*The calculation of revenue shall exclude station User Fee collected from the users, and all statutory applicable indirect taxes, levies which the concessionaire is bound to pay.”*

The definition of Gross Revenue would be as finalized and specified in the Concession Agreement.

5. **Operational routes:** The Authority has identified around 100 origin destination pairs for operation of the Trains by the private entities. These 100 origin destination pairs have been grouped into 12 (twelve) clusters such that each cluster requires operation of about a minimum of 12 (twelve) Trains (the “Cluster”). The Authority has invited 12 RFQs, one for each Cluster, the details of which are specified in the RFQ. The costs towards RFQ process, Bidding documents and Bid Security as indicated in the RFQ have to be submitted separately for each RFQ and each RFP. These origin destination pairs will be updated further and the final list will be provided at RFP stage.
6. **Duration of journey on each Path:** The running time taken by a train from originating station to destination station shall be **comparable to the fastest train of IR** operating between same originating station and destination station on that route (with a variation of plus or minus ten percent). IR shall provide a non-discriminatory access to the trains operated by the Concessionaire. **No new similar scheduled train will depart the originating station in the same origin destination route within 60 minutes** of the Scheduled departure of the Concessionaires Train. However, this restriction shall not apply in case capacity utilization of the Concessionaire Train is more than 80% in the previous three months.
7. **Length of Train:** Each train shall have a **minimum of 16 coaches** (equal to a length of 384 meter, buffer to buffer) and a maximum not exceeding the longest passenger train operating on the respective route.
8. **Configuration of trains:** The configuration of each train as well as its coaches shall be determined by the Concessionaire based on the demand.
9. **Operation and Maintenance:** Operation and maintenance of the passenger trains would be governed by **standards & specifications and requirements given in Concession**

**Agreement.** The maintenance of the trains shall be the responsibility of private entity. IR will provide berth/ space to private entity in the existing maintenance depots or space in a proximate area on as is where basis for up-gradation or setting up its maintenance depot and use of the same by the Concessionaire for maintaining its Trains. The concessionaire will bring its manpower, tools and plants as required for undertaking the maintenance obligations. The scheduled maintenance of the trains **shall not be before 31 days or a travel of 40,000 kms of such previous scheduled maintenance**, whichever is later. Further, IR shall provide washing lines in its existing coaching depots for washing and inspection of the Trains as per the schedule. IR shall also provide stabling lines for placing of trains when idle. Further, the trains in a cluster may have to be maintained in more than one maintenance depot.

10. **The Crew (Driver and Guard)** required for operation of the **Trains shall be provided by IR**. The concessionaire shall have to train the crew of Indian Railways for operating the rolling stock introduced by the concessionaire.
11. **Safety Certification:** The Safety certification of the Trains shall be done by IR based on the safety parameters indicated by IR and travel worthiness certified by the Concessionaire on the basis of indicated parameters measured and documented by the Concessionaire; however, the same shall not relieve or absolve the Concessionaires of the obligation and liabilities as specified in the Agreement.
12. **Concession Period:** Concession Period **will be for a period of 35 years** commencing from the Appointed Date.
13. **Maximum Speed:** The passenger trains to be operated by the private entity shall be designed to operate at a **maximum service speed of 160 kmph**.
14. **Determination of Fare:** The Private Entity shall have the **freedom to decide on the fare** to be charged from its passengers.
15. **Validation of Rolling Stock:** For introduction of new rolling stock, validation will be done by **Accredited Independent Safety Assessor (ISA) on IR track**. This process will be resorted to till such time RDSO adopts testing norms defined in UIC 518/EN14363 or other internationally accepted norms. Detailed terms and conditions will be specified in the Concession Agreement.
16. **Role of Private Entity:** The private entity shall be responsible for financing, procuring, operation and maintenance of the trains. The Private Entity **shall pay to IR pre-determined charges for haulage, charges for energy consumed** and any other payments as specified in the Agreement.
17. **Penalties for non-performance:** Pre-specified penalties shall be recovered from the Concessionaire for failure to meet the prescribed performance standards and outcomes. Similarly, penalties will be pre-specified in the Concession Agreement for the failure on the part of the Railways.

18. **Ticketing:** The private entity shall **use the existing Indian Railway Passenger Reservation System** for booking of tickets. Mechanism will be built in to transfer the revenue so earned to Escrow Account.

### **Bid Documents**

19. The RFQ and RFP documents for this project would be prepared based on the model RFQ and RFP for PPP projects issued by the Ministry of Finance and erstwhile Planning Commission. The Agreement for this project would be prepared based on the model concession agreements published by the erstwhile Planning Commission/ MoR.

### **Appraisal by PPPAC:**

20. The extant PPPAC process shall be followed for appraisal and approval of this Project.

### **Technology for the Trains**

21. Private Entity shall be **free to procure trains and locomotives from a source of its choice**, provided such trains and locomotives are compatible with specification and standards specified in the Concession Agreement. **However, the Concession Agreement would include provisions relating to mandatory sourcing via domestic production in India over a period of time.** The trains could be either distributed power or loco hauled with faster acceleration/ deceleration characteristics. Proposed technology for the trains may *inter alia* include following:

- a) Low maintenance requirements, especially pit maintenance, through use of modern design bogies, stainless steel/aluminum exteriors, brake system etc.;
- b) Improved safety features with fire retardant interiors, modern couplers with anti-climbing features, wider gangway design for safe inter rail car movement etc.;
- c) Improved passenger comfort, through use of bogies with superior ride index, efficient air conditioning with automatic temperature and humidity control, superior interiors and toilets etc.;
- d) Under-Slung/roof-mounted IGBT propulsion system to release passenger space.
- e) Friendly access to physically challenged passengers;
- f) GPS enabled passenger announcement system for on-board announcements for station arrivals, time to next station/destination, safety announcements etc.;
- g) Vandal-proof interiors.
- h) Energy efficient rolling stock with regenerative braking mechanism
- i) Higher acceleration/ deceleration characteristics to reduce journey time by around 10-15% at existing maximum speed of 130 kmph.

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