

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
1	1	A2.2	The existing Rolling Stock on Line-5 has to be replaced with New Stock. Both the Existing Stock and New Stock may run simultaneously during the period of introduction of new trains acquired on lease. It is estimated that approximately 25 trainsets of 6 car each will be required to be provided within three years from the date of lease agreement by replacing all Existing trainsets gradually. The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service. Lessor shall be required to supply increased ordered quantities at the contracted terms & conditions and determined prices and no additional amounts on account of quantity variation or any other account whatsoever shall be payable to the Lessor. Existing Stock supplied by the MRMB Consortium (Melco Japan, Hyundai Rotem Korea, Mitsubishi Corporation Japan and BEML) is compatible with distance to go track circuit based signalling system of M/s Bombardier. The New Stock supplied by the lessor shall be compatible with the existing signalling system provided by Bombardier. Details about the required headway for operation and minimum requirement of trains would be furnished along with Key Dates for delivery & commissioning in the RFP document.	Lessee request rolling stock request to Lessor beyond the 150 of contract units, can the Lessee propose the leasing and Maintenance fee as new business separating from this bidding price ?
<p><b>DMRC Comments :</b> No, The hourly rates accepted under the lease contract and applicable for the year in which the additional rolling stock is added shall also be applicable on the added quantity.</p>				
2	1	-	Depot Details	Before RFP opened, can we have design drawing of Depot and detailed list(name of manufacturer, spec, year start using etc) of all of the equipment in Depot, past actual energy cost of Mundka Depot for study purpose of bidder ?
<p><b>DMRC Comments :</b> Please refer addendum no. 3 . Further details shall be shared in the RFP documents.</p>				
3	1	A2.5	The contract period shall be 38 years (including 3 years for initial supply & commissioning of trainsets and considering the life cycle of each trainset as 35 years). This means that contract shall be operative at least till completion of life cycle, i.e. 35 years from the date of commissioning of the last trainset. The lessor will be responsible for manufacturing, delivering, testing and commissioning of the Rolling stock and maintain it for the 35 years life cycle period. The Lessor shall also be responsible for maintenance of all depot infrastructure and facilities including all M & P. The lessor will be required to meet the specified performance criteria in the RFP for the Rolling Stock.	In case bidder deviating the written condition and propose shorten maintenance period than 35year, will it be disqualified instantly due to this Deviation of the condition ? Until now, contacting several financial companies however no company having interest in this scheme due to this Long project period. On the other hand, we are still studying the solution.
<p><b>DMRC Comments :</b> Please follow EOI 'RSL1' requirements.</p>				

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4	1	-	Real Estate Related Tax for Depots	May we understand that Lessee will hand over 2 depot with all of the necessary equipment and materials for making maintenance free of cost For Lessor ? In other words, free rental of land / building / equipment etc from Lessee to Lessor ? Who will bear the real estate related tax etc ?
<p><b><u>DMRC Comments:</u></b> Yes, the timings and other details shall be provided in the RFP document. DMRC shall bear all the statutory real estate related tax.</p>				
5	1	-	EOI Schedule	Based on Annexure V, we understand the EOI schedule as below; Last Date for Sending Queries 8.Sep.2017 Pre EOI Meeting 15.Sep.2017 EOI Submission and Opening 6.Oct.2017 Is there any event not describing the documents until
<p><b><u>DMRC Comments:</u></b> No, Please refer addenda for updation.</p>				
6	1	-	Change in Partner of the Consortium	Is it possible that change the consortium partner even after submitting of EOI documents ? Without any details, it may difficult to fix partners Without detailed business model study etc.
<p><b><u>DMRC Comments :</u></b> - Please refer 'Addendum No. 5'</p>				
7	1	-	Model Cash flow Data	For studying financial model with partners and lenders, can we have some model cash flow data before RFP
<p><b><u>DMRC Comments :</u></b> - No. Bidder shall develop their own financial model based on hourly charges.</p>				
8	1	-	Key Details	We have noted through Addendum No.1 the change of date. We, however request that the date and time of opening of EOI should be atleast 3 months from the time of issuance of DMRC queries.This is required in view of partnership discussions for prospective JV / Consortium partner.
<p><b><u>DMRC Comments :-</u></b> Please follow EOI conditions.</p>				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
9	1	A2.2	<p>The existing Rolling Stock on Line-5 has to be replaced with New Stock. Both the Existing Stock and New Stock may run simultaneously during the period of introduction of new trains acquired on lease. It is estimated that approximately 25 trainsets of 6 car each will be required to be provided within three years from the date of lease agreement by replacing all Existing trainsets gradually. The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service. Lessor shall be required to supply increased ordered quantities at the contracted terms &amp; conditions and determined prices and no additional amounts on account of quantity variation or any other account whatsoever shall be payable to the Lessor. Existing Stock supplied by the MRMB Consortium (Melco Japan, Hyundai Rotem Korea, Mitsubishi Corporation Japan and BEML) is compatible with distance to go track circuit based signalling system of M/s Bombardier. The New Stock supplied by the lessor shall be compatible with the existing signalling system provided by Bombardier. Details about the required headway for operation and minimum requirement of trains would be furnished along with Key Dates for delivery &amp; commissioning in the RFP document.</p>	<p>(a) We request DMRC to clarify the existing Rolling Stock in operation on Line-5, who shall carry out the maintenance. We propose Lessee carry out the maintenance of the existing stock on MUNDKA Depot and Lessor carries out the maintenance on Bahadurgarh Depot till the time all existing Rolling Stock are shifted from Line 5 to Line 6.</p> <p>(b) We have noticed requirement of increased ordered quantities to be placed on the Lessor within 5 years of the scheduled induction of last train set on revenue service. We request Lessee to inform the terms and conditions applicable for this increased quantity.</p> <p>(c) We have noted that New Stock supplied by the Lessor shall be compatible with the existing signalling system. We request DMRC to confirm that signalling onboard equipment requirement for this New Rolling Stock shall be supplied by DMRC and Lessor only has to make arrangement for installation, testing and commissioning. Warrantee obligation of DMRC supplied equipment should also be elaborated.</p>
<p><b><u>DMRC Comments :-</u></b>            (a) Yes, Please follow EOI conditions.            (b) This shall be detailed in RFP document            (c) No, Lessor shall be solely responsible for procurement &amp; installation of S &amp; T onboard equipments. Details shall be provided in the RFP document.</p>				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
10	1	A2.5 & A2.6	<p><b>Contract Period:</b> The contract period shall be 38 years (including 3 years for initial supply &amp; commissioning of trainsets and considering the life cycle of each trainset as 35 years). This means that contract shall be operative at least till completion of life cycle, i.e. 35 years from the date of commissioning of the last trainset. The lessor will be responsible for manufacturing, delivering, testing and commissioning of the Rolling stock and maintain it for the 35 years life cycle period. The Lessor shall also be responsible for maintenance of all depot infrastructure and facilities including all M &amp; P. The lessor will be required to meet the specified performance criteria in the RFP for the Rolling Stock.</p> <p><b>Management of Depots:</b> A depot facility at Mundka is available and a new depot is planned under Phase-III at Bahadurgarh. These facilities along with all Machinery &amp; Plant etc. shall be handed over to the lessor for the purpose of maintenance of New Stock. Details of the facilities available in the existing Mundka depot and planned facilities for the upcoming Bahadurgarh depot will be provided in the RFP. Initially the lessor shall be handed over the Bahadurgarh depot. The lessor shall be responsible for complete management of the handed over depot. The Depot facility at Mundka shall be handed over to the Lessor by Lessee in a gradual manner and completely when all New Stock, i.e. 25 trainsets of 6 cars each are supplied.</p>	We request DMRC to provide complete details of Depot infrastructure and facilities including all M & P.
<p><b>DMRC Comments :-</b> Please refer Addendum No. 3.</p>				
11	1	A2.7 & A2.8	<p><b>Depot Operating Expenses</b> The cost of maintenance of depot facilities such as track, civil, E&amp;M infrastructure, signalling &amp; telecommunication, depot control centre, all M&amp;P etc. shall be borne by the lessor. In addition the energy consumption charges for maintenance depots shall also be borne by the lessor.</p> <p><b>Maintenance of Depots and M&amp;P</b> The maintenance and upkeep of the New Stock and all other Depot facilities, over the entire contract period shall be the responsibility of the lessor. It is expected that the lessor shall assess the condition of the depot assets at the time of submission of RFP and shall plan replacement of the installed assets with the consent of the lessee, if required during the contract period to ensure that the available assets at the end of the Contract Period shall have residual life of five or more years.</p>	<p>(a) We request DMRC to provide the current energy consumption charges including the warranty obligations of M &amp; P.</p> <p>(b) Replacement of installed assets and for ensuring the residual life of 5 or more years, we request DMRC to accept that the necessary cost for the same shall be borne directly by DMRC.</p>
<p><b>DMRC Comments :-</b> (a) Details as available shall be shared in the RFP documents. (b) No. Please follow EOI conditions.</p>				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
12	1	A3	Eligible Applicants	<p>(a) We request DMRC to appreciate that this Expression of Interest has to be primarily driven by Finance / Leasing Company. The eligibility criteria for Rolling Stock and Propulsion System should become part of RFP process only.</p> <p>(b) Accordingly A3.1 Sr. No.6,7, 8 and 9 to be suitably modified and Rolling Stock &amp; Propulsion supplier should be allowed to become sub contractor.</p>
<p><b><u>DMRC Comments :-</u></b> Please refer Addendum no.5</p>				
13	1	A3.1	Initial Eligibility Criteria Note Points	Note 3, 4, 5, 6 and 7 shall be modified in response to the above clause A3. In any case we request DMRC to remove the percentage participation as 15% as stipulated under Note 6 and allow Rolling Stock player to be subcontractor of the Finance / Leasing Company, who shall submit EOI and qualify.
<p><b><u>DMRC Comments :-</u></b> Please refer Addendum no.5</p>				
14	1	B2.2	Should the Applicant for any reason whatsoever, be in doubt about the meaning of anything contained in the Invitation to EOI or EOI Documents, the Applicant shall seek clarification from The Engineer, not later than the "last date of seeking clarification" given in the BDS. DMRC will respond in writing, to any request for clarification received in writing from Applicants prior to deadline for such clarification or modification in the BDS. Written copies of the response will be sent to all prospective Applicants who have purchased the EOI document, without identifying the source of clarifications. All communications between the Applicant and DMRC shall be in writing. No further clarification questions will be accepted after the "last date of seeking	We request DMRC to elaborate the expectation from this clause. The same is not required for determination of responsiveness as per clause A3.
<p><b><u>DMRC Comments :-</u></b> Please follow EOI conditions.</p>				
15	1	NIE Key details	Expected Completion period of the Work: 38 years (including 3 years for initial supply & commissioning of trainsets and balance 35 years for life cycle of Rolling Stock)	<p>(a) We believe that 35 Years of period in one go is bit of risky and suggest to break the complete period in two stages as 10+25 Years with some provisions for allowing the variation for increase the fees for Leasing.</p> <p>(b) Please also advise that is it a common model/practice as to lease whole life cycle of rolling stock if not then what were the findings to decide and go ahead for whole life cycle leasing for Rolling Stock</p>

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<p><b><u>DMRC Comments :-</u></b> Please follow EOI conditions.</p>				
16	1	NIE Key details	Last date of Seeking Clarification: 14.08.2017 (Queries from applicants after due date shall not be acknowledged)	We request you to extend the date upto 28 Days before the Submission of bid. Wherein the DMRC shall reply the queries 20 days prior to submission.
<p><b><u>DMRC Comments :-</u></b> Please refer Addendaum No. 4</p>				
17	1	A2.2	<p><b>Rolling Stock Supply</b> The existing Rolling Stock on Line-5 has to be replaced with New Stock. Both the Existing Stock and New Stock may run simultaneously during the period of introduction of new trains acquired on lease. It is estimated that approximately 25 trainsets of 6 car each will be required to be provided within three years from the date of lease agreement by replacing all Existing trainsets gradually. The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service. Lessor shall be required to supply increased ordered quantities at the contracted terms &amp; conditions and determined prices and no additional amounts on account of quantity variation or any other account whatsoever shall be payable to the Lessor. Existing Stock supplied by the MRMB Consortium (Melco Japan, Hyundai Rotem Korea, Mitsubishi Corporation Japan and BEML) is compatible with distance to go track circuit based signalling system of M/s Bombardier. The New Stock supplied by the lessor shall be compatible with the existing signalling system provided by Bombardier. Details about the required headway for operation and minimum requirement of trains would be furnished along with Key Dates for delivery &amp; commissioning in the RFP document.</p>	<p>(a) We request you to please define the increase in quantity as "any" is very vague terminology.</p> <p>(b) We request you to please mention the International Standards for the compatibility with the existing Signalling System or other technical requirements for compatibility in detail.</p>
<p><b><u>DMRC Comments :-</u></b> (a) The provision for quantity variation shall be detailed in the RFP documents. (b) These details shall be mentioned in the RFP documents.</p>				
18	1	A2.8	<p><b>Maintenance of Depots and M&amp;P</b> The maintenance and upkeep of the New Stock and all other Depot facilities, over the entire contract period shall be the responsibility of the lessor. It is expected that the lessor shall assess the condition of the depot assets at the time of submission of RFP and shall plan replacement of the installed assets with the consent of the lessee,</p>	Please clarify apart from being Lessor for Rolling Stock, DMRC also intends to give the complete operations and Maintenance activity of Depot to the Lessor ? If yes who will be having the control for deciding the size or down sizing the O&M organisation.
<p><b><u>DMRC Comments :-</u></b> Yes, please follow EOI conditions. Lessor shall be responsible for deciding the size of O&amp;M organization.</p>				

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19	1	A2.9	<p><b>Performance Criteria</b> The Lessor would be solely responsible for meeting the laid down Performance Criteria, which shall be detailed in RFP. The Lessor shall carry out Integrated Testing and Commissioning of New Stock on the section in co-ordination with the Engineer. He shall also carry out all statutory tests and trials on cars necessary for obtaining sanction of Competent/Statutory Authorities. The Lessee shall extend assistance to obtain the statutory approvals. The Scope of Work for the Lessor shall be detailed in the RFP document.</p>	Please clarify, who will be responsible for co -ordinating with Competent/Statutory Authorities.
<p><b><u>DMRC Comments :-</u></b> Please follow EOI conditions.</p>				
20	1	A2.10	<p><b>Handback and/or termination</b> There shall be provision for the handback of rolling stock or for the early termination of the lease, or both. For example, in the case of a lease containing an early termination provision, the value to the lessee of the early termination provision will be reflected in the lease terms. The details shall be provided in RFP document.</p>	Request you to elaborate in RFQ document although the detailed information can be followed in RFP document at later stage.
<p><b><u>DMRC Comments :-</u></b> Please follow EOI conditions.</p>				
21	1	A3	Eligible Applicants	Please suggest can we change/replace the member(s) for the JV/Consortium after being qualified in RFQ.
<p><b><u>DMRC Comments :-</u></b> Please refer the Addendum no.5</p>				
22	1	C1.7	<p><b>Financing structure</b> In order to have a sustainable and technically &amp; financially sound proposal, the lessee shall propose a suitable financial structure for the Applicant.</p>	Request to elaborate more at RFQ (Present) stage primary the broad financial structure with options if any so that the lessor can identify the risk and bring to the kind attention of lessee.
<p><b><u>DMRC Comments :-</u></b> Please refer Addendaum No. 5</p>				
23	1	A2.6	<p><b>Management of Depots</b> A depot facility at Mundka is available and a new depot is planned under Phase-III at Bahadurgarh. These facilities along with all Machinery &amp; Plant etc. shall be handed over to the lessor for the purpose of maintenance of New Stock. Details of the facilities available in the existing Mundka depot and planned facilities for the upcoming Bahadurgarh depot will be provided in the RFP. Initially the lessor shall be handed over the Bahadurgarh depot. The lessor shall be responsible for complete management of the handed over depot. The Depot facility at Mundka shall be handed over to the Lessor by Lessee in a gradual manner and completely when all New Stock, i.e. 25 trainsets of 6 cars each are supplied.</p>	We would like to understand the current situation and condition from the prespective of Infrastructure and seek details about the operating Expenses to understand the risks related to the depot facilities before maintenance.
<p><b><u>DMRC Comments :-</u></b> You may visit the depots for further details, as applicable.</p>				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
24	1	A2.2	<p><b>Rolling Stock Supply</b>                      The existing Rolling Stock on Line-5 has to be replaced with New Stock. Both the Existing Stock and New Stock may run simultaneously during the period of introduction of new trains acquired on lease. It is estimated that approximately 25 trainsets of 6 car each will be required to be provided within three years from the date of lease agreement by replacing all Existing trainsets gradually.                      The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service. Lessor shall be required to supply increased ordered quantities at the contracted terms &amp; conditions and determined prices and no additional amounts on account of quantity variation or any other account whatsoever shall be payable to the Lessor. Existing Stock supplied by the MRMB Consortium (Melco Japan, Hyundai Rotem Korea, Mitsubishi Corporation Japan and BEML) is compatible with distance to go track circuit based signalling system of M/s Bombardier. The New Stock supplied by the lessor shall be compatible with the existing signalling system provided by Bombardier. Details about the required headway for operation and minimum requirement of trains would be furnished along with Key Dates for delivery &amp; commissioning in the RFP document.</p>	<p>Exercise of option within Five years of the scheduled induction of last trainset is too long a period.                      In such a case, it is our understanding that Lessee and Lessor need to renegotiate on the lease terms and prices                      Kindly confirm.</p>
<p><b>DMRC Comments :-</b>                      No, the hourly rates accepted under the lease contract and applicable for the year in which the additional rolling stock is added shall also be applicable on the added quantity.</p>				
25	1	A2.3	<p><b>Functional and Performance based specifications</b>                      The work comprises supply of adequate number of trains (New Stock) conforming to detailed performance and functional requirements which shall be advised in the RFP document. The scope of work would also include maintenance of the New Stock for whole life cycle and maintenance of the relevant depot facilities handed over to the Lessor during the Contract Period including the supply of requisite spares, tools &amp; tackles, test benches and Machinery &amp; Plant as required to undertake maintenance during the Contract Period. The cars required for the corridors shall be of modern design, lightweight made of stainless steel/Aluminium, with 3 phase AC drive having V.V.V.F. control, regenerative braking and compatible to work with ATP, ATC and ATO etc. as available at site. The cars shall operate on 25 KV ac single phase 50 Hz rigid/flexible Overhead Catenary System (OCS). The lessor shall ensure that the New Stock shall comply with the existing SOD (refer 'Annexure-III') and shall have performance and design parameters as specified for the New Stock in RFP. The lessee shall be responsible for operation of both Existing and New Stock on Line-5.</p>	<p>(a) We request DMRC to stipulate the exact requirement of trainsets considering DPR and on PHPDT basis, since DMRC is the entity which is earning income through revenue operations.                      As per our understanding, the Lessor shall be responsible to lease the stipulated number of trains, operate &amp; maintain the trains and receive payment based on hourly availability of trainsets                      Kindly consider / confirm.</p> <p>(b) As per our understanding, operation and maintenance of the existing rolling stock is not in the scope of the Lessor.                      Kindly confirm.</p> <p>(c) Kindly elaborate the term "operation".                      We presume that the scope of the term "operation" is limited to providing train operators during the operation phase and all the balance activities such as the detailed train deployment plans / operation plans shall be drawn by DMRC, since DMRC is the entity which is earning income through revenue operations.                      Kindly confirm.</p>



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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<p><b><u>DMRC Comments :-</u></b>                      (a) The required number of trains has already been given in the EOI however the detailed hourly deployment plan shall be given in the RFP document.                      (b) Yes, the maintenance and operation of existing stock will solely be carried out by DMRC.                      (c) Yes, under the scope of Lessor, "operation" refers to providing required no. of T.O.s for driving of trains only. All other operational activities shall be carried out solely by DMRC</p>				
26	1	A2.6	<p><b>Management of Depots</b>                      A depot facility at Mundka is available and a new depot is planned under Phase-III at Bahadurgarh. These facilities along with all Machinery &amp; Plant etc. shall be handed over to the lessor for the purpose of maintenance of New Stock. Details of the facilities available in the existing Mundka depot and planned facilities for the upcoming Bahadurgarh depot will be provided in the RFP. Initially the lessor shall be handed over the Bahadurgarh depot. The lessor shall be responsible for complete management of the handed over depot. The Depot facility at Mundka shall be handed over to the Lessor by Lessee in a gradual manner and completely when all New Stock, i.e. 25 trainsets of 6 cars each are supplied.</p>	<p>As per our understanding, the depot facilities at Bahadurgarh depot shall be set up by DMRC. The Lessor shall be responsible for the management of the depot only.                       Kindly confirm.</p>
<p><b><u>DMRC Comments :-</u></b>                      Please follow EOI conditions.</p>				
27	1	A2.7	<p><b>Depot Operating Expenses</b>                      The cost of maintenance of depot facilities such as track, civil, E&amp;M infrastructure, signalling &amp; telecommunication, depot control centre, all M&amp;P etc. shall be borne by the lessor. In addition the energy consumption charges for maintenance depots shall also be borne by the lessor.</p>	<p>In line with the changes made for clause A2.8 vide Addendum -2, we presume that the cost of maintenance of systems such as Traction distribution, Civil, tracks, Signalling and Telecommunication Systems, E&amp;M infrastructure, M&amp;Ps not supplied by Lessor, shall not be borne by Lessor. Kindly confirm</p>
<p><b><u>DMRC Comments :-</u></b>                      No, Please follow EOI conditions.</p>				

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28	1	A2.4	<p><b>Indigenization requirements</b></p> <p>The number of cars that can be manufactured in the off-shore factory shall not exceed 25% of the New Stock assessed to meet the headway requirement as specified in the RFP. Balance cars shall be manufactured in India. For this, an essential condition for complying with the RFP will be that the lessor shall establish facilities either independently or with an Indian Partner for local manufacture of coaches in India. In case local manufacture is undertaken in the facilities of the local partner, Quality control (total) and testing at works shall be the responsibility of the member of the Consortium/JV (Lessor) based on whose credentials, the Applicant has met the eligibility requirements. To facilitate ease in maintenance and easy availability of spares, the lessee is keen and expects Lessor to make efforts to source maximum number of equipment and materials from India. The Lessee has also identified the items (these shall be detailed in the RFP document), which shall be indigenised and sourced from India for manufacture of minimum 25% of the New Stock assessed to meet the headway requirement as specified in the RFP. Lessor and the OEMs shall either choose their partner in India or open a wholly owned subsidiary in India for manufacture of all such items. The Lessor as well as the OEMs (as the case may be) shall arrange granting of unqualified licenses to their chosen Indian partners to manufacture and sell such indigenised items for other than this RSL1 contract.</p>	<p>The intent of this EOI is to select a contractor who will supply 150 Cars (25 train sets of 6 cars each) on lease basis to DMRC network Line Line-5 and maintain these cars during their life cycle against payment of lease / rental charges by DMRC on the basis of hourly availability of train sets.</p> <p>Further it is elaborated in Clause No.A2.5 that the contract period shall be 38 years. The lessor will be required for manufacture, delivery, testing and commissioning of the Rolling Stock and maintain it for 35 years life cycle period. Based on the above stipulation, we would like to mention that since lessor is responsible not only for supply but also for maintenance of the Rolling Stock during the complete contract period and guarantee the availability of the same, there cannot be any condition for sourcing of the Rolling Stock either from India or abroad. Rather any condition of manufacture indigenously, will put a restriction on foreign bidder. It will not be competitive for a foreign bidder to supply only 25% of the Rolling Stock from abroad and balance manufacture in India.</p> <p>We would further like to mention that we have a large capability for manufacture and supply of Rolling Stock. We are not only having established manufacturing procedure but also have established supply chain, which are approved for proven quality and matching our delivery requirement. Hence by allowing the manufacture of Rolling Stock without any condition, will help in achieving very competitive price as the lease rental will depend on the capital cost of the Rolling Stock.</p>
<p><b>DMRC Comments :-</b> No, Please follow EOI Conditions.</p>				
29	1	A2.2	<p>The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service. Lessor shall be required to supply increased ordered quantities at the contracted terms &amp; conditions and determined prices and no additional amounts on account of quantity variation or any other account whatsoever shall be payable to the Lessor.</p>	<p>Since long term finances are to be arranged to fund the leasing of Metro cars, any change in number of cars and tenure of lease cannot be accomodated without cost implications.</p> <p>The options can be exercised through a separate leasing contract taking into consideration the cost of financing/price variation at the time of exercising options.</p>
<p><b>DMRC Comments :-</b> No, Please follow EOI Conditions.</p>				

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30	1	A2.3	<p><b>Functional and Performance based specifications</b>                      The work comprises supply of adequate number of trains (New Stock) conforming to detailed performance and functional requirements which shall be advised in the RFP document. The scope of work would also include maintenance of the New Stock for whole life cycle and maintenance of the relevant depot facilities handed over to the Lessor during the Contract Period including the supply of requisite spares, tools &amp; tackles, test benches and Machinery &amp; Plant as required to undertake maintenance during the Contract Period. The cars required for the corridors shall be of modern design, lightweight made of stainless steel/Aluminium, with 3 phase AC drive having V.V.V.F. control, regenerative braking and compatible to work with ATP, ATC and ATO etc. as available at site. The cars shall operate on 25 KV ac single phase 50 Hz rigid/flexible Overhead Catenary System (OCS). The lessor shall ensure that the New Stock shall comply with the existing SOD (refer 'Annexure-III') and shall have performance and design parameters as specified for the New Stock in RFP. The lessee shall be responsible for operation of both Existing and New Stock on Line-5.</p>	How would the DLP management and running contracts of DMRC with OEMs/Contractors of Depot facilities will be handed over to the Lessee?
<p><b>DMRC Comments :-</b>                      This shall be detailed in the RFP documents.</p>				
31	1	A2.4	<p><b>Indigenization requirements</b>                      The number of cars that can be manufactured in the off-shore factory shall not exceed 25% of the New Stock assessed to meet the headway requirement as specified in the RFP. Balance cars shall be manufactured in India. For this, an essential condition for complying with the RFP will be that the lessor shall establish facilities either independently or with an Indian Partner for local manufacture of coaches in India. In case local manufacture is undertaken in the facilities of the local partner, Quality control (total) and testing at works shall be the responsibility of the member of the Consortium/JV (Lessor) based on whose credentials, the Applicant has met the eligibility requirements. To facilitate ease in maintenance and easy availability of spares, the lessee is keen and expects Lessor to make efforts to source maximum number of equipment and materials from India. The Lessee has also identified the items (these shall be detailed in the RFP document), which shall be indigenised and sourced from India for manufacture of minimum 25% of the New Stock assessed to meet the headway requirement as specified in the RFP. Lessor and the OEMs shall either choose their partner in India or open a wholly owned subsidiary in India for manufacture of all such items. The Lessor as well as the OEMs (as the case may be) shall arrange granting of unqualified licenses to their chosen Indian partners to manufacture and sell such indigenised items for other than this RSL1 contract.</p>	For 75% cars which are to be manufactured in India, kindly specify the localization content in terms of percentage value. The minimum localization requirements must be well defined in RFP in order to provide equality to all bidders.
<p><b>DMRC Comments :-</b>                      Please follow EOI conditions.</p>				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
32	1	A2.7	<b>Depot Operating Expenses</b> The cost of maintenance of depot facilities such as track, civil, E&M infrastructure, signalling & telecommunication, depot control centre, all M&P etc. shall be borne by the lessor. In addition the energy consumption charges for maintenance depots shall also be borne by the lessor.	Who will bear the water consumption, sanitation services charges and IT charges in depot? Does the IT infrastructure, Staff Canteen/Pantry will be provided by lessee?
<b>DMRC Comments :-</b> The Lessor. Please follow EOI Conditions				
33	1	A2.9	<b>Performance Criteria</b> The Lessor would be solely responsible for meeting the laid down Performance Criteria, which shall be detailed in RFP. The Lessor shall carry out Integrated Testing and Commissioning of New Stock on the section in co-ordination with the Engineer. He shall also carry out all statutory tests and trials on cars necessary for obtaining sanction of Competent/Statutory Authorities. The Lessee shall extend assistance to obtain the statutory approvals. The Scope of Work for the Lessor shall be detailed in the RFP document.	It is proposed that responsibility for statutory approval including RDSO approval and CMRS approval (if required), shall be with Lessee. Lessor shall support for all Rolling Stock related Technical information, Testing support required for getting approvals. Kindly confirm.
<b>DMRC Comments :-</b> Please follow EOI conditions.				
34	1	A2.10	<b>Handback and/or termination</b> There shall be provision for the handback of rolling stock or for the early termination of the lease, or both. For example, in the case of a lease containing an early termination provision, the value to the lessee of the early termination provision will be reflected in the lease terms. The details shall be provided in RFP document.	Since long term finances are to be arranged to fund the leasing of Metro cars, any change in tenure of lease cannot be accomodated. Early termination clause may kindly therefore be removed.
<b>DMRC Comments :-</b> Please follow EOI Conditions.				
35	1	A3.1 S.No.9	<u>Propulsion system</u> Does the Manufacturer of the Propulsion Equipment proposed for supply of the Propulsion Equipment against this project, has minimum ten (10) year experience in the field of Design and Manufacturing of the Propulsion Equipment AND have been in satisfactory revenue operation for at least five (5) years in minimum aggregate 500 Metro cars, supplied against minimum five (5) different contracts in the Metros of minimum two (2) different countries outside his country of origin.	This clause restricts competition. Condition for "Outside his country of origin" may kindly be removed.
<b>DMRC Comments :-</b> No, Please follow EOI Conditions.				
36	1	A5	<b>Payments to the Lessor</b> The payment terms shall be detailed in the RFP Document and shall be based on availability of trainset hours. Minimum guaranteed demand shall also be included in the RFP document.	It is proposed that 90% of payment shall be based on provided services and remaining 10% of payment shall be based on Performance Criteria.
<b>DMRC Comments :-</b> Please follow EOI Conditions.				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
37	1	C1.8	<p><b>Guarantees and Warranties</b>                      The Applicant shall submit full details of the identity of the proposed parties who would respectively provide or issue:                      (a) The Performance Guarantee;                      (b) Parent company Undertakings;                      (c) Parent company Guarantees                      If the Applicant comprises a consortium or joint venture, a parent company of each member or participant will be required to execute the Undertakings and Guarantees referred to in sub-paragraphs (b) and (c) above.</p>	Referring to Row 3 of Page 3 of Addendum 2: Since change in composition of consortium may be permitted by DMRC, the requirement of Guarantees and Warranties shall also change if they are made part of EOI. It is proposed that Guarantee and warranties may kindly be made part of RFP documents.
<p><b>DMRC Comments :-</b>                      No, Please follow EOI Conditions</p>				
38	-	Slide 13 of Presentation	<b>Expected Model of Lessor</b>	It is understood that Rolling Stock Supplier and/or Maintainer could be a subcontractor of Lessor. Kindly confirm.
<p><b>DMRC Comment :-</b>                      Yes, Please refer Addendum no.5</p>				
39	-	Slide 14 of Presentation	<b>Responsibilities of the Lessor</b>	<p>Lessor is expected to bear Traction Energy consumption charges in Depot. How the depot traction energy consumption will be monitored separately from mainline traction energy consumption?                      It is proposed that Traction energy consumption charges (Depot &amp; Mainline) shall be borne by Lessee.                      The energy consumption data for the last twelve months for the depot may be provided.</p>
<p><b>DMRC Comments :-</b>                      Details shall be provided in the RFP Documents.                      Please follow EOI Conditions</p>				
40	-	-	General Query	Will the delivery time of Rolling Stock have impact on final selection of the Lessor?
<p><b>DMRC Comments :-</b>                      Yes. Delivery timelines shall be detailed in the RFP document.</p>				
41	-	-	General Query	What is the present ridership of Line5? What is expected ridership of Line 5 after opening of Phase-3?
<p><b>DMRC Comments :-</b>                      Please follow EOI conditions.</p>				
42	-	-	General Query	Since the lease term is for 35 years, what Guarantee shall be provided by Lessee for payments?
<p><b>DMRC Comments :-</b>                      This shall be detailed in the RFP documents.</p>				
43	-	-	General Query	Does the proposed Rolling Stock needs to be approved by the Lessee at design stage?
<p><b>DMRC Comments :-</b>                      This shall be detailed in the RFP documents.</p>				
44	-	-	General Query	Please clarify, who will be responsible for co-ordination with Signaling, Power supply etc. contractors?

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
	<b><u>DMRC Comments :-</u></b> The Lessor			
45	-	-	General Query	Lessor shall have liberty for selecting the Rolling Stock in line with technical and performance data specified by Lessee.
	<b><u>DMRC Comments :-</u></b> Yes in accordance with the contract conditions only, This shall be detailed in the RFP documents.			
46	-	-	General Query	As the ownership of Rolling Stock lies with Lessor and Lessee shall demand the train for internal and external advertisements, the time required for preparing/wrapping the train will be considered as train available?
	<b><u>DMRC Comments :-</u></b> Yes, this shall be detailed in the RFP documents.			
47	-	-	General Query	As trains are already under operation and maintenance on line for which leasing is proposed. Does lessor have liberty or any compulsion to hire existing staff?
	<b><u>DMRC Comments :-</u></b> No, the lessor shall employ his own personnel			
48	-	-	General Query	It is proposed to include station management that is Station Controlling, TOM operation and Housekeeping activities on that line in the scope of Lessor.
	<b><u>DMRC Comments :-</u></b> No, Please follow EOI Conditions.			
49	-	-	General Query	Kindly share present operation Timetable for Line-5.
	<b><u>DMRC Comments :-</u></b> This shall be shared at RFP stage.			
50	-	-	General Query	Will the leasing amount be paid in equated monthly payments over 35 years or the price variation formula be included on monthly/quarterly basis?
	<b><u>DMRC Comments :-</u></b> This shall be detailed in the RFP documents.			
51	-	-	General Query	In payment terms, the foreign currency variation must be provided for on actuals.
	<b><u>DMRC Comments :-</u></b> No, Please follow EOI conditions.			
52	BDS	S.No.19	The deadline for EOI submission is:  Date: 06.10.2017 Time: Up to 1100 hours	<b>Extention of the deadline of EOI submission :</b> We request DMRC to extend the date and time for EOI submission by at least 3 months from the last date of issuing DMRC's response to queries. This is required for project formation and partnership discussion with prospective JV/Consortium members.

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<b>DMRC Comments :-</b> Please follow EOI conditions.				
53	-	-	General Query	<p><b>Foreign Currency Payment :</b> The Leasing period of 35 years is significantly long and currency hedging for such long tenures by private player would be unviable. We sincerely believe that DMRC as a government entity is better placed to take the currency fluctuation risk as it has demonstrated in the past projects. In view of above, we would request DMRC to accept making Lease payment in foreign currencies such as USD, EUR and/or JPY.</p>
<b>DMRC Comments :-</b> No, Please follow EOI Conditions.				
54	-	-	General Query	<p><b>Sovereign Guarantee :</b> We request DMRC to appreciate that this Leasing project has to be primarily driven by finance companies, and the overall financial viability/bankability is of utmost importance. In view of consideration of long term sustainability and necessity to the involve foreign investors, we would request DMRC to provide sovereign guarantee for offtake and payment for leased rolling stock till the end of project period regardless of the operation status of Line 5.</p>
<b>DMRC Comments :-</b> This shall be detailed in the RFP documents.				
55	1	A3	The EOIs for this Contract will be considered only from those companies, corporation, partnerships, consortia and joint ventures who pass the Initial Eligibility based on submissions with the EOI. Only such eligible applicants will be allowed to participate in the next stage of the project, i.e. RFP.	Can a leasing company be the applicant when the RS supplier of it fulfill the delivery and operation performance?
<b>DMRC Comments :-</b> Please refer Addendum no.5				
56	1	A3.1	<p><b>Propulsion system</b> Does the Manufacturer of the Propulsion Equipment proposed for supply of the Propulsion Equipment against this project, has minimum ten (10) year experience in the field of Design and Manufacturing of the Propulsion Equipment AND have been in satisfactory revenue operation for at least five (5) years in minimum aggregate 500 Metro cars, supplied against minimum five (5) different contracts in the Metros of minimum two (2) different countries outside his country of origin.</p>	In order to introduce more competitors and reduce costs, 'outside his country of origin' is suggested to be removed.
<b>DMRC Comments :-</b> No, Please follow EOI Conditions.				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
57	1	A2.7	<p>The cost of maintenance of depot facilities such as track, civil, E&amp;M infrastructure, signalling &amp; telecommunication, depot control centre, all M&amp;P etc. shall be borne by the lessor. In addition the energy consumption charges for maintenance depots shall also be borne by the lessor.</p> <p><b>Addendum_2_29.07.2017:</b> Lessee shall be solely responsible for maintenance and upkeep of Traction distribution, Civil tracks, Signalling and Telecommunication Systems for the complete Line 5 including depots.</p>	<p>There is a conflict for the cost of signaling &amp; telecommunication, etc. If maintenance of signaling is done by lessee, how can such cost be borne by the lessor, pls clarify.</p>
<p><b>DMRC Comments :-</b> Please refer Addendum no.3</p>				
58	1	A5	<p>The payment terms shall be detailed in the RFP Document and shall be based on availability of trainset hours. Minimum guaranteed demand shall also be included in the RFP document.</p>	<p>Should the basic payment be a unchanged value or a change value?</p>
<p><b>DMRC Comments :-</b> This shall be detailed in the RFP documents.</p>				
59	1	A5	<p>The payment terms shall be detailed in the RFP Document and shall be based on availability of trainset hours. Minimum guaranteed demand shall also be included in the RFP document.</p>	<p>How about the price adjustment clause?</p>
<p><b>DMRC Comments :-</b> This shall be detailed in the RFP documents.</p>				
60	1	A2.4	<p>The Lessee has also identified the items (these shall be detailed in the RFP document), which shall be indigenised and sourced from India for manufacture of minimum 25% of the New Stock assessed to meet the headway requirement as specified in the RFP.</p>	<p>Does this mean that for the 25% of the new stock which can be imported from outside India, there are also some components and items which need to be indigenized and sourced in India?</p>
<p><b>DMRC Comments :-</b> Please follow EOI Conditions.</p>				
61	1	-	<p>General Query</p>	<p>The contract can be segregated into two principal parts - Procurement and maintenance of the rolling stocks and lease financing the rolling stocks from the selected vendor.</p>
<p><b>DMRC Comments :-</b> Please follow EOI Conditions.</p>				
62	1	-	<p>General Query</p>	<p>Lease payment can be made unconditional by DMRC, whereas any risk due to deficiency in maintenance (downtime) can be borne through maintenance contract.</p>
<p><b>DMRC Comments :-</b> No, Please follow EOI Conditions.</p>				
63	1	-	<p>General Query</p>	<p>Lessor can finance maintenance cost as agreed between DMRC and the same can be built into the pricing.</p>



**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<b><u>DMRC Comments :-</u></b> No, Please follow EOI Conditions.				
64	1	-	General Query	Any expenditure over and above the agreed levels can be borne by the rolling stock manufacturer under the maintenance contract to maintain the uptime as per the standards specified.
<b><u>DMRC Comments :-</u></b> No, Please follow EOI Conditions.				
65	1	-	General Query	DMRC may also consider periodic revision of the lease payment linked with interest rate benchmarks in the economy. This would help DMRC to decrease the lease payment in the case the interest rate decreases in future and would also protect the lessor from significant adverse movement in interest rates as funding for 30 years period is not available in the current market scenario
<b><u>DMRC Comments :-</u></b> This shall be detailed in the RFP documents.				
66	1	-	General Query	The timelines as laid out currently do not work especially in light of getting a consortium formed. It will be very hard to figure out the technical partner prior to the EOI submission. It would involve dedicating significant resources, which is difficult in this timeframe. Our request would be to consider financial investors in the EOI stage with a letter stating that we will bring a suitable technical partner to the table?
<b><u>DMRC Comments :-</u></b> Please refer Addendum no.5				
67	1	-	General Query	On a related note, perhaps DMRC can reconsider including a technical partner as part of the consortium. If that is a requirement, the number of bids will be limited by the number of suitably qualified technical partners. DMRC is likely to get a higher number of bids if a technical partner is not an equity partner in the consortium
<b><u>DMRC Comments :-</u></b> Please refer Addendum no.5				
68	1	-	General Query	It would be helpful to have some views on exit related clauses even if not fully spelled out in the EOI
<b><u>DMRC Comments :-</u></b> This shall be detailed in the RFP documents.				
69	1	C1.7	<u>Financing structure</u> In order to have a sustainable and technically & financially sound proposal, the lessee shall propose a suitable financial structure for the Applicant.	As per Addendum 2: A3.1 - Initial eligibility criteria - Note point 8, the financial partner may be included and made part of the applicant even post EOI stage prior to the submission of RFP documents. In such a scenario, it may not be possible to submit the financial structure as a part of EOI response. However, the document may be submitted during RFP stage.  Kindly amend the clause accordingly.

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<b><u>DMRC Comments :-</u></b> Please refer Addendum no.5				
70	1	A3.1 Note 6	In the case of a Joint Venture/Consortium, the evaluation for the criteria at S.No. 7 and 8 will be done in totality (algebraic aggregate of the evaluation of each member) and not as individual member. The member of the Joint Venture/Consortium who meets $\geq 50\%$ of the specified criteria noted in S.No. 7 & 8 of ELIGIBILITY OF APPLICANTS-CHECKLIST' of 'Initial Eligibility Criteria' shall have percentage participation of 15% or more in the Joint Venture/Consortium.	Please clarify if the percentage participation in the JV/Consortium will translate likewise in the equity participation in the SPV?
<b><u>DMRC Comments :-</u></b> Please refer Addendum no.5				
71	-	-	General Query	As a Rail Transport Solution provider our expertise lies in Rolling Stock design, manufacture and maintenance. We do not possess the capability for long term finance of such leasing projects. Hence we would not like to have any equity participation in the SPV. We request DMRC to relax such norms on equity participation in the SPV structure.
<b><u>DMRC Comments :-</u></b> Please refer Addendum no.5				
72	1	A3	Eligible Applicants	We would request DMRC in view of this "First of its Kind" in the country and similar in many ways to PPP model, to allow bidders to use the technical and financial references of their Associate for qualification. For the purpose of clarity here, Associate means, in relation to the Bidder/Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/Consortium Member. As used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation. This will allow better debt equity structuring on the parent company/Foreign partner. In standard Design and Supply tender it is acceptable but for long term leasing or financing contract its not viable.
<b><u>DMRC Comments :-</u></b> Please follow EOI Conditions				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
73	1	A2.5	<p><b>Contract Period</b>                      The contract period shall be 38 years (including 3 years for initial supply &amp; commissioning of trainsets and considering the life cycle of each trainset as 35 years).                      This means that contract shall be operative at least till completion of life cycle, i.e. 35 years from the date of commissioning of the last trainset.                      The lessor will be responsible for manufacturing, delivering, testing and commissioning of the Rolling stock and maintain it for the 35 years life cycle period. The Lessor shall also be responsible for maintenance of all depot infrastructure and facilities</p>	<p>The lease and maintenance period has been proposed in the EOI to be 35 years with the overall contract period running up to 38 years. We would request DMRC to consider the term to be shorter with an option to renegotiate and renew the contract</p>
<p><b>DMRC Comments :-</b>                      No, Please follow EOI Conditions</p>				
74	1	A2.10	<p><b>Handback and/or termination</b>                      There shall be provision for the handback of rolling stock or for the early termination of the lease, or both. For example, in the case of a lease containing an early termination provision, the value to the lessee of the early termination provision will be reflected in the lease terms.                      The details shall be provided in RFP document.</p>	<p>In the event of the contract being terminated prematurely or at the end of the contract, does DMRC intend to buy back the leased/supplied cars.                      If YES, please indicate the financial framework by which the value of the cars would be determined.</p>
<p><b>DMRC Comments :-</b>                      This shall be detailed in the RFP documents.</p>				
75	1	A5	<p><b>Payments to the Lessor</b>                      The payment terms shall be detailed in the RFP Document and shall be based on availability of trainset hours. Minimum guaranteed demand shall also be included in the RFP document.</p>	<p>To secure and ensure the lease payments to the SPV for such long lease agreement, it is requested to provide some kind of sovereign security.</p>
<p><b>DMRC Comments :-</b>                      This shall be detailed in the RFP documents.</p>				
76	1	A2.1	<p>The proposed model envisages to seek offers from applicants for availability of committed number of trains for operating the same on Line-5 of DMRC network for the contract period. The criteria for availability of trains shall be detailed in the RFP document</p>	<p>Please clarify that if the requirement of availability of Trains will be fixed for the entire duration of the contract or is it subject to change?</p>
<p><b>DMRC Comments :-</b>                      Please follow EOI Conditions.</p>				
77	1	A2.2	<p><b>Rolling Stock Supply</b>                      It is estimated that approximately 25 trainsets of 6 car each will be required to be provided within three years from the date of lease agreement by replacing all Existing trainsets gradually. The Lessee at his discretion may advise the Lessor in writing about increased requirement of Rolling Stock for operation on Line-5. For any increase in quantity, Lessee may exercise the option on any date within five years of the scheduled induction of last trainset on revenue service.</p>	<p>As per the Eoi 25 6-car Trains are to be supplied. It is understood that during Peak Hour Operations 25 trains are required per hour. However due to maintenance obligations and backup upto 1 to 2 Trains will be in the depots. Will DMRC indicate the number of additional trains required or is it upon the Lessor to ascertain the total number of trains to be supplied to achieve the required availability requirements keeping in mind the above considerations?</p>

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
<b><u>DMRC Comments :-</u></b> <i>It is for the Lessor to ascertain the total number of trains to be maintained at site to achieve the contractual availability requirements.</i>				
78	Addendum No.5	Attachment 1 Note Point 6.1	However in case of RSM being the independently qualified Applicant at EOI stage, shall have option to participate either as a member of the Applicant consortium/JV/SPV or as a sub-contractor to the new Applicant.	Please clarify in case the RSM in the role of a sub-contractor can participate and submit with multiple Applicants in the RFP submission stage, only in the capacity of a sub-contractor to all?
<b><u>DMRC Comments:-</u></b> Yes				
79	Addendum No.5	Attachment 1 Note Point 9	9. Change in the composition of EOI qualified Applicant before RFP may be permitted by DMRC at its sole discretion on receipt of specific written request from the qualified Applicant subject to the following conditions: a. The new Applicant must qualify the initial eligibility criteria of the EOI, and b. There shall be no change in "Lead Member". However in case of RSM being the independently qualified Applicant at EOI stage, shall have option to participate either as a member of the Applicant consortium/JV/SPV or as a sub-contractor to the new Applicant.	Please clarify if the below scenario will be allowed: - In the case the RSM qualifies independently (in line with Note.6 of the Initial Eligibility Criteria, as per Addendum No.5) and in the RFP stage brings in a FI(who did not submit the Eoi) and then choses to be a sub-contractor to this FI (new Applicant) for the RFP submission. Considering in the above case that the new FI who would be brought in as a new applicant would meet the requirements set in the Initial Eligibility Criteria of this Eoi
<b><u>DMRC Comments :-</u></b> Yes				
80	-	-	General Query	We request some clarity on how DMRC envisages going about the financial evaluation at RFP submission stage. Would the bidders be evaluated on a single submitted figure (in the specified currency) of lease or rental charges per train per hour?
<b><u>DMRC Comments :-</u></b> <i>This shall be detailed in the RFP documents.</i>				
81	-	-	General Query	The following is kindly requested: (i) Annual depreciation rate of metro car as allowed by the income tax authorities As this has effect on the cost aspect of the contract, kindly provide
<b><u>DMRC Comments:-</u></b> <i>Applicant may obtain these details directly from the tax authorities.</i>				
82	-	-	General Query	If the EOI process is cancelled / put on hold at any stage before awarding the contract, we request that the cost involved in for bid preparation and submission would be reimbursed by DMRC to the concerned party Kindly consider.
<b><u>DMRC Comments :-</u></b> <i>No, Please follow EOI conditions</i>				
83	-	-	General Query	The Employer has to indemnify the bidders / contractors of any tax law / rate changes, government policy changes and / or any other changes that may occur after the bid submission date but affects the performance of the contract. Kindly confirm.
<b><u>DMRC Comments :-</u></b> <i>No, Please follow EOI Conditions</i>				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
84	Addendum No.5	Attachment 1 Note Point 6.1	In the case of RSM being a Joint Venture/Consortium itself, the evaluation for the criteria at S.No. 7 and 8 will be done in totality (algebraic aggregate of the evaluation of each member) and not as individual member.	In case the RSM proposes the propulsion system supplies through the sub-contract route, we understand that it is not mandatory for the RSM to meet the criteria 9 at the EOI stage itself. However, the RSM may furnish a certificate at EOI stage that they will include propulsion supplier as sub-contractor and submit the qualifying documents against criteria at S.No. 9 above at RFP stage. Kindly confirm
<p><b><u>DMRC Comments :-</u></b>  <i>No, Please follow EOI conditions</i></p>				
85	-	-	Procurement of rolling stock	<p>(a) The rail cars are highly specialized with a significant local sourcing component.</p> <p>(b) As per our discussions with the manufacturers, their ability/interest to invest equity in the SPV is limited. Majority of the capital is going to be brought in by the banks and the financial investors.</p> <p>(c) The ability of the rolling stock manufacturer to deliver 150 rail cars in the stipulated three years is beyond the control of the financial investor.</p> <p>(d) DMRC, as a procurer of rolling stock for other lines, and as a central / state authority will have greater control on the manufacturer</p> <p>(e) DMRC can play a role in the procurement of rolling stock and help the financial investor mitigate the risk of procurement. The lease can begin once the procurement is complete.</p> <p>(f) The DMRC may charge a penalty to the rolling stock manufacturer for the delay. The time delay of procurement (which impacts the banks and the financial investor) can be adjusted in the lease payment in the first year of the lease through a pre-determined formula.</p>
<p><b><u>DMRC Comments :-</u></b>  <b><u>(d) &amp; (e)</u></b> Subject to adherence to specified conditions in the RFP document, DMRC can consider to procure the Rolling Stock on behalf of the preferred bidder.  <b><u>(other points)</u></b> Please follow EOI Conditions</p>				

**Clarification of EOI 'RSL1' Document : DMRC Comments on Applicant's Queries**

S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
86	-	-	Lock-in requirements	(a) The procurement period is 3 years and there is a mention of a 7 year lock-in once the lease period begins. Effective lock-in, therefore, is 10 years. (b) We recommend a shorter lock-in period. For example, at least 51% needs to be held by the consortium members during the procurement period. Between the lease start date and 2 years of the lease period, the requirement can be staged down to 33%. In the interest of market making, the equity requirement should be 0, two years after the beginning of the lease period.
<p><b>DMRC Comments :-</b> Please refer Addendum no.6 Reduction in the Lock-in period limiting to defect liability period will be reviewed at RFP stage.</p>				
87	-	-	Capital Structure	There is a prescribed capital structure in the addendum that debt will not be greater than 70% and equity not less than 30%. The flexibility of deciding the capital structure should be retained with the SPV.
<p><b>DMRC Comments :-</b> No, Please follow EOI conditions</p>				
88	-	-	Termination Clause	This clause has not been shared during our meetings, but as a financial investor, we would expect a termination clause that keeps in mind that the use of the railcars is restricted and the assets have been procured purely to serve the Delhi Metro. Appropriate protection / termination payments will provide comfort to the bank as well as the financial investor.
<p><b>DMRC Comments :-</b> The handback and termination clause shall be detailed in the RFP documents.</p>				
89	-	-	Payment Mechanism	Though the DMRC enjoys a superior credit rating, investors would expect a fair / timely payment mechanism. The mechanism can be strengthened by ability of the SPV to draw on a letter of credit or through an escrow mechanism guaranteeing x months of payment, etc.
<p><b>DMRC Comments :-</b> The details shall be provided in RFP documents.</p>				
90	-	-	Maintenance	(a) Scope of the maintenance should be clearly laid out. DMRC support on the maintenance operations should also be discussed. (b) Clear distinction of responsibility between the DMRC and the SPV to be laid out
<p><b>DMRC Comments :-</b> The details shall be provided in RFP documents.</p>				
91	-	-	Dispute Resolution	Fast track dispute resolution mechanism to be enforced.
<p><b>DMRC Comments:-</b> The details shall be provided in the RFP Documents.</p>				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
92	Addendum No.5	Attachment 1 Note Point 5	Net worth at the close of preceding financial year (as applicable in the country of origin), should be at least INR 7000 million.	Net worth is applicable only to entities established under Company's act. Funds are mostly different legal structures such as Alternate Investment Fund and hence a financial criterion equivalent to net worth is required. Please provide alternative criterion such as Assets Under Management (AUM) and AUM shall be defined as firm capital commitments received from investors or the market value of the Assets managed by self or on behalf of Investors.
<b>DMRC Comments :-</b> Please refer Addendum no.6				
93	Addendum No.5	Attachment 1	Eligibility Criteria for financial institution	Our understanding is the only qualification criterion required at EOI stage for Financial Institution is the above net worth criteria. Please confirm.
<b>DMRC Comments :-</b> Please refer Addendum no.6				
94	Addendum No.5	Amendment to point C1.7	In order to have a sustainable and technically & financially sound proposal, the financial structure of the Applicant (JV/Consortium/SPV) shall be as follows: - Equity: Minimum 30% - Debt: Maximum 70%	Capital structure for the funding of project cost would be typically driven by project risk profile, market conditions and financing strategy of the financial institution. Fixing this ratio in EOI/ RFP document would be difficult to implement practically and may lead to higher procurement cost. Request you to provide flexibility as followed in other sectors such as highways and power. The financial strength of bidding entity can be ascertained with stringent financial criterion if required.
<b>DMRC Comments :-</b> Please follow EOI conditions				
95	1	A2.10	<b>Handback and/or termination:</b> There shall be provision for the handback of rolling stock or for the early termination of the lease, or both. For example, in the case of a lease containing an early termination provision, the value to the lessee of the early termination provision will be reflected in the lease terms.	Rolling stock asset manufactured for this project will be intended for the Line 5 only. In case of pre-mature termination, commercial utilization of this rolling stock for any other purpose would be challenging – Ready market may not be available, fitment of this rolling stock for other metro lines may involve capex for necessary modifications. Financial institution's primarily responsibility is to fund the rolling stock procurement. Once the investment is made and this primary duty is discharged, termination for whatsoever reason leading to impact on monthly lease payment, would adversely affect Financial institution.
<b>DMRC Comments :-</b> The details shall be provided in RFP documents.				

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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
96	1	A5	<b>Payments to the Lessor</b> The payment terms shall be detailed in the RFP Document and shall be based on availability of trainset hours. Minimum guaranteed demand shall also be included in the RFP document.	Typically, the financial institution would fund the project cost (that is, rolling stock), through leveraged capital structure and bankability of the project is critical. From the bankability perspective, the monthly lease payments need to be protected with instruments/ mechanism such as escrow to give protection to lenders.
<b>DMRC Comments :-</b> <i>The details shall be provided in RFP documents.</i>				
97	-	-	General Query	Rolling stock is a highly technical product and DMRC has significant expertise. DMRC's intervention would result in efficient and cost effective procurement. It would be ideal if DMRC can procure the rolling stock bi-laterally with rolling stock manufacturers and financial institution funding this procurement with a lease model. Similarly, DMRC to play a significant role in finalizing the maintenance requirements so that maintenance is economical.
<b>DMRC Comments :-</b> <i>Regarding procurement of Rolling Stock, Subject to adherence to specified conditions in the RFP document, DMRC can consider to procure the Rolling Stock on behalf of the preferred bidder. Please follow EOI Conditions regarding query on maintenance of rolling stock.</i>				
98	Addendum No.5	Attachment 1 Note Point 10	After completion of 7 (seven) years from the receipt of last train sets, change in composition of the Consortium/JV may be permitted by DMRC at its sole discretion on receipt of specific written request from the Lessor during the Contract period.	The current equity lock-in is highly restrictive. Once, the project gets stabilized (such as 2 – 3 years from the start date), 100% equity divestment should be possible. However, the replacing investor can be required to possess the same credentials as required for the original investor (Financial institution).
<b>DMRC Comments :-</b> <i>Please refer Addendum no.6 Reduction in the Lock-in period limiting to defect liability period will be reviewed at RFP stage.</i>				
99	-	-	Other Commercial and contractual points	The current lease is envisaged for around 35 - 38 years and hence contractual provisions should comfort to all parties. Key clauses such as force majeure, termination, reps & warranties of tried and tested NHAI's concession agreement can be incorporated into this DMRC model as well
<b>DMRC Comments:-</b> <i>These details shall be provided in the RFP Documents.</i>				



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S.No.	Volume No.	Clause No.	Clause Description	Applicant's Query
100	Addendum No.2	A2.3	Providing train drivers, herein referred to as Train Operators (T.O.) for Testing, Commissioning, Service trials as well as Operation of Stock supplied by the Lessor shall be the responsibility of the Lessor.	We understand DMRC's points however it would be simpler to have the Train Drivers/Operators under the responsibility of whoever is in charge of the whole operations of the network. The experience of DMRC in operations over more than 15 years is very impressive and the training schools including the train simulators are state of the art allowing perhaps no one better than DMRC other to provide the best suited Train driver/Operators for the required operation on the network. Hence we request that the Train Drivers/Operators will be provided by the Lessee.
<b>DMRC Comments :-</b> <i>No, Please follow EOI conditions</i>				
101			General Query	Will the on-board Signaling equipment be issued free of cost by DMRC?
<b>DMRC Comments :-</b> <i>No, Please follow EOI conditions</i>				
102		A5	Payment to the Lessor	Please clarify whether the lease payments will be made as advances. Please indicate the inflation protection schema/mechanism for the lease payments We would recommend that the cost of leasing be revised annually to reflect the variation in Price Index occurring between the base date and the reference index date for that particular year.
<b>DMRC Comments :-</b> <i>No, Please follow EOI conditions. Further details shall be provided in the RFP document.</i>				
103			Miscellaneous	Will equipment/machinery imported for this project be covered under import benefit schemes as in the past RS projects. Please clarify
<b>DMRC Comments :-</b> <i>The details shall be provided in RFP documents</i>				
104			The Applicant shall submit the <u>EOI Guarantee</u> in a separate envelope. The Applicant shall seal the Original and each copy of the EOI in separate envelopes, duly marking the envelopes as "Original", "Copy 1" and "Copy 2".	"EOI guarantee is not stipulated anywhere else in the document.  Kindly delete the underlined statement. "
<b>DMRC Comments :-</b> <i>Please refer Addendum no.6</i>				