

Comparison of key criteria of bidding across three different clustering approaches (Shimla)

Parameter	Revenue based clustering	Homogenous Clustering	City wide Package
Qualification Criteria	<ul style="list-style-type: none"> • Since the RFP is different for different cluster, based on the operational and revenue model, specific qualification criteria would be set out to select best suited entity for each cluster. • Cluster 1 can have stringent criteria as it requires operational efficiency of the agency in the sector. • Cluster 2 can have relaxed criteria compared to Cluster 1 with lesser experience. • Cluster 3 – can have experience related to managing communities, and operator with a sense of social well being/non-profit motive. 	<ul style="list-style-type: none"> • Since the operational capabilities expected from the selected bidder for each cluster is same, qualification criteria for all cluster would be same. • All clusters will have same conditions of qualification like –experience of operating certain number of WCs; deployment of certain number of manpower etc. • Given the number of established players in the market in this sector, it would be difficult to get agencies having experience in managing all types of toilets. 	<ul style="list-style-type: none"> • Since all the toilets are to be maintained under same cluster, only one entity is expected to be selected based on a set of qualification criteria. • Higher qualification criteria will be set as number of toilets is more.
Bidding Criteria	<ul style="list-style-type: none"> • Depending on the revenue likely to be generated in each cluster, bid parameter would vary for each cluster. • Cluster 1 – Royalty (Payment from Operator to MCS) • Cluster 2 – Royalty i.e. Payment from Operator to MCS or O&M Fee i.e. payment from MCS to operator • Since the usage of community toilets are decided to be made free, bid parameter for Cluster 3 would be payment from MCS to the operator. 	<ul style="list-style-type: none"> • Bid parameter has to be common for each cluster. • Almost same qualification criteria across all clusters – Royalty 	<ul style="list-style-type: none"> • Single qualification criteria – Royalty • Providing only ‘payment from the operator’ as bid parameter is likely to result in poor performance by the selected bidder during the contract period, due to lack of finance to maintain as per the required standards and also carries risk of not getting any bids.
Number of RFP and Agreement	<ul style="list-style-type: none"> • Three separate Request for Proposal (RFPs) and Agreement for each cluster 	<ul style="list-style-type: none"> • Common Request for Proposal with separate Agreement for each cluster 	<ul style="list-style-type: none"> • One Request for Proposal and Agreement.
Terms of the Agreement	<ul style="list-style-type: none"> • Terms of agreements for each cluster would vary depending on the operation and revenue model selected for each cluster. • Manpower requirement for each cluster will change. Cluster 1 will have dedicated manpower and non-compliance of same will be penalized. • Cluster 2 allows for sharing of cleaners and clauses related to same will change • Penalty clauses, operational hours, payment conditions etc will change 	<ul style="list-style-type: none"> • Terms of agreement for each cluster would be similar since there is no change in its operation and revenue model • Agreement shall have provision for safeguarding against unequal service delivery by the operator within the cluster 	

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