

Clarifications, Corrigendum, Addendum to RfP No: 400/2019/1421/BYO dated January 01, 2019 for submission of Proposals from agencies for developing, maintaining & operating a MSME Co-working Space

A.	CLARIFICATIONS
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S.No.	Queries	Remarks/ Clarifications
1	What benefits can we expect under "co-branding arrangement"? - For example: Waive in security deposit, rent free period of 4 months for developing the facility, Extension services from SIDBI for small start-ups and business loans	<p>SIDBI, over last 29 years, and its Subsidiaries / Associates have been working towards the sustainable development of MSME sector that have manifested in creation of economic wealth. These include the innovative Credit Plus model, where credit is supplemented with advisory and mentoring facilities to MSMEs. As part of its promotional and developmental activities, SIDBI also provides varied non-financial support to MSMEs and Start-ups, including handholding support. Co-branding with SIDBI is expected to add value to the said Co-working Space by suitably leveraging SIDBI's activities for the betterment of the beneficiaries of the Co-working space.</p> <p>Regarding Waiver in security deposit, rent free period for developing the facility, etc. please refer to the Corrigendum.</p>
2	What kind of Video Conferencing facility is being expected?	Basic Video Conferencing facility as may be decided by the agency.
3	Is the period for Start-ups and MSMEs could be an extended up to 8 months?	As the query is not clear, no comments are given.
4	There will be 7-8 seats for our staff	No. of staff of the agency would be the prerogative of the agency managing the day to day operations of the Co-working space.

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5	Under Managing Committee/ Cobranding - If Withdrawal for co-branding is cancelled, is the lease also gets cancelled? What are the consequences? In case we want to terminate the contract, what would be the process?	Cancellation of the Co-branding arrangement may arise in the situation of breach of the terms & conditions of the Tender / Agreement Lease Deed. Cancellation / termination of the Contract has been indicated at Para 7.3 of the Tender.
6	Under sharing of information - We would need a pre-set format from SIDBI to collect data.	The agency is required to submit quarterly certificate regarding name and number of MSMEs & Start Ups availed the services at the Co-working space, as per format prescribed by SIDBI. Any other data, if required for use in developing MSME/ Start-up ecosystem will be decided on mutual consultation with the agency.
7	Availability of various Infrastructural facilities	
A	<ul style="list-style-type: none"> Lift certificate (Yes / No) 	Yes
B	<ul style="list-style-type: none"> Lift Maintenance Contact Details 	Will be shared with the successful bidder.
C	<ul style="list-style-type: none"> Power Backup (Yes/No) 	No
D	<ul style="list-style-type: none"> DG (Yes/No) 	No
E	<ul style="list-style-type: none"> Water supply system (Yes/No) 	Yes
F	<ul style="list-style-type: none"> Building O.C. (Yes/No) 	Yes
G	<ul style="list-style-type: none"> Building O.C. Plans (Yes/No) 	Architect's plan available
H	<ul style="list-style-type: none"> Fire NOC (Yes/No) 	The building owners are in the process of obtaining the NoC.
I	<ul style="list-style-type: none"> Electricity Charges 	Payable by agency on actual basis

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J	<ul style="list-style-type: none"> Rent Amount 	As per tender provisions
K	<ul style="list-style-type: none"> Maintenance Charges 	Presently Rs 5.50/ sq.ft. The same may undergo a change in future, as may be decided by the building owners.
L	<ul style="list-style-type: none"> Water Bill 	Included in monthly maintenance charges
8	Putting a Signage for Co-branded Co-working Space	SIDBI would not have any objection. However, the agency is required to obtain statutory approvals, if any.
9	Whether it is possible to use the premises 24X7?	Yes, subject to prevailing local laws.
10	Last line of the Clause 1.8 'Evaluation of Offers' of the RFP, <i>"The Recipient unconditionally acknowledges by submitting its response to this RFP document that it has not relied on any idea, information, statement, representation, or warranty given in this RFP document."</i> suffers from overt ambiguity,	<p>It is a standard clause regarding evaluation of offers.</p> <p>The Co-branded Co-working space shall be operated based on the lease agreement/contract to be executed between SIDBI and the winning agency.</p>
11	Last line of the Clause 3.2.3 <i>"However, the agency shall take into consideration, the affordability of the charges, as the space would be used only by MSMEs/ Start Ups for meeting their office requirements"</i> , usage of expression 'affordability' herein introduces an element of vagueness, and subjectivity to the connotation. MSME and Start ups wishing to operate out of Central Business District will have be convinced of the fact that they have to afford reasonable market determined price with the advantage of shared costs.	<p>The clause at page -13 is self-explanatory. The same is reproduced below.</p> <p><i>"The agency is free to charge the occupying MSMEs any amount on hourly/ daily/ weekly/ monthly basis as it deems to be fit. However, the agency shall take into consideration, the affordability of the charges, as the space would be used only by MSMEs/ Start Ups for meeting their office requirements"</i></p>

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12	<p>Clause 4 'Period of Subleasing', introducing a cap of 60 days continued occupation for a MSME/Start-up occupant and 120 days on repeated allotment may render the entire business unviable.</p> <p>Notably the fixed and operating costs in Co-Working business are substantial and this kind of restriction is unwarranted.</p>	The clause is being retained.
13	<p>Clause 4 'Restrictions of Use' Limiting the usage of the Center to MSME/Start-Ups' leaves a very small risky portion from the market pie, thus delaying the rate of occupation for business viability.</p>	The clause is being retained.
14	<p>Clause 4 'Managing Committee /Co-branding', Constituting managing committee is a large overhead, further contributing to business unviability and creating unnecessary intervention by SIDBI in affairs of the agency.</p>	The clause is being retained. The Managing Committee with SIDBI representative would only be for oversight and broad policy making.
15	<p>Clause 4 'Sharing of information' Under confidentiality most of the MSME/Start-Ups may not be ready to divulge information whatsoever related to their business operations etc. and may have ensuing legal liabilities of leakage, hence rendering this clause infructuous,</p>	Only entity level aggregate information relating to nature and type of business, turnover, etc., would be sought primarily with a view to establish the eligibility, which may not be difficult to share.

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16	Admittedly, Bank will provide bare shell office and responsibility to furnish it and make it suitable for productive working is of the Bidder. There is no provision in the RFP dealing with the status of furnishing, furniture and fixtures once the Contract expires/terminates.	The furniture and fixtures will be provided by and owned by the agency, they would be free to decide upon the same after expiry / termination of the contract.
17	In wake of our experience in successfully running Co-Working Centres from last five years, we are of considered view that in particular provisions in Clause 4, render the project unviable. There is a need for concerted effort to make a fresh RFP in line with the intent to run profitably and successfully Co-Working Centres	Suitable changes, as given in the Corrigendum and Addendum, have been carried out.

B.	CORRIGENDUM
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S.No.	Existing provision	Revised Provision
4 (Security Deposit)	The agency has to deposit with SIDBI an interest free security deposit of 06 months of rent at the time of execution of lease agreement, as per draft provided by SIDBI.	The agency has to deposit with SIDBI an interest free security deposit of 03 months of rent at the time of execution of lease agreement, as per draft provided by SIDBI.

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S.No.	Existing provision	Revised Provision
4 (Implementation Schedule)	The agency shall operationalize the facility within 6 months from the date of execution of lease agreement. Payment of rent would commence from the date of handing over possession of the premises by SIDBI.	The agency shall operationalize the facility within 6 months from the date of execution of lease agreement. Payment of rent would commence after 2 months from the date of handing over possession of the premises by SIDBI.
4 (Eligibility of the Sub-Lessee)	<p>Only MSMEs, as defined under MSMED Act, including Start Ups can avail the proposed facility only for their own use.</p> <p>Hence, the agency shall allot the space to any sub-lessee (MSME/Start Up) only after due verification of their credentials and ensure that they meet the eligibility criteria.</p> <p>The Agency is required to submit the credentials of the sub-lessee as and when asked by SIDBI as a proof of conforming to the contract conditions. Further, SIDBI reserves the right to independently</p>	<p>The end-users of the space will be either MSMEs as per MSMED Act or Start Ups. Since, registration under MSMED Act is not compulsory, the same will be applicable in the present context also. MSMEs, and/or Start Ups can avail the proposed facility for their own use.</p> <p>Further, the Union Cabinet chaired by the Prime Minister had approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/equipment' to 'annual turnover' in February 2018. Accordingly, the agency, at its discretion can follow such classification to select the end users.</p> <p>Hence, the agency shall allot the space to any sub-lessee after due verification of their status of MSME and/or Start Up.</p> <p>Further, SIDBI reserves the right to independently verify the status of the sub-lessee if the need is felt.</p>

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	verify the credentials of the sub-lessee if the need is felt.	
4 (Maximum Space for Single Entity)	Maximum space allotment to a single entity may not be more than 25% of the total available rental area.	Maximum space allotment to a single MSME / single sublease may not be more than 40% of the total available rental area.
7.7.3 (3) (Arbitration)	The Bidder shall continue work and the Bank shall continue to pay the fees due under the Contract during the arbitration proceedings unless otherwise directed in writing by SIDBI or unless the matter is such that the work cannot possibly be continued until the decision of the Arbitrator or the umpire, as the case may be, is obtained.	The Bidder shall continue work and shall continue to pay the lease rent and all other payables due under the Contract during the arbitration proceedings unless otherwise directed in writing by SIDBI or unless the matter is such that the work cannot possibly be continued until the decision of the Arbitrator or the umpire, as the case may be, is obtained.

C.	ADDENDUM
S.No.	Provision
4 (Lock in Period)	There will be a lock in period of 5 years from the date of execution of Lease Deed / Agreement. However, the same can be waved with mutual consent after a period of 1 year from the date of execution of the lease deed / agreement.
Lease Agreement	The draft lease agreement is attached. Submission of a bid by the bidder would be construed as acceptance of the lease agreement and provisions.
