

Subject: Pre-Bid conference meeting held on 20.05.2014 regarding selection of e-auctioneer for FM Phase-III

Queries and Answers:

S.No	Queries	Answers
1	MIB is only looking for software solution provider or the services (Auction Conduction, Vendor selection etc.) also.	Scope of work for the selected e-auctioneer is given in clause 1.5 of RFP
2	Ownership of Auction Conduction lies with Service Provider or with FM Channels.	The selected auctioneer shall conduct e-auctions on behalf of MIB
3	In section 1.5, subsection 1.5.2. It is mentioned in the document that the; The functions of the selected agency shall be:- (a) To design, structure and implement the overall process of e-auction on a simultaneous, controlled, ascending basis including the e-aspects with the approval of Government of India (GOI), Please clarify is it only related to the security Audit certificate which is required or some other approval from GOI is required.	It is not limited to security audit certificate (STQC) only. The design, structure, and overall process of e-auction shall be done with the approval of GOI.
4	Please Clarify (d) & (e) points of section 1.5 (Sub section 1.5.2) : (d) to develop an optimum auction plan taking into account the availability of FM channels and the competition characteristics. (e) to create appropriate market interest and excitement in India . Clarification is required on development of an optimum auction plan & creation of appropriate market interest and excitement in India. What all activities service providers have to do for above points?	The selected e-auctioneer is required to perform all such functions which will meet the objectives as set out in clause 1.5.2(a) (i),(ii),(iii). The activities may include roadshows, advertisement in print & electronic media, conferences, seminars, personal interaction with prospective FM operators particularly in C & D category cities. MIB shall not incur any expenditure on these activities. However, MIB shall issue Information Memorandum and Notice Inviting Applications for prospective FM operators.
5	STQC certificate is mandate or other empanelled audit agency's certification can be submitted.	STQC certificate is mandatory before the actual conduct of e-auctions
6	Is it mandatory to submit STQC certification along with tender submission or can it be submitted after order finalization?	Though STQC certificate is not mandatory at the time of bid submission but its undertaking is mandatory as mentioned in parameter D at page 44
7	Please clarify if MIB is also expecting Service provider to depute full time resource at 839 FM Channels in 294 Cities.	MIB expects service provider to depute resources as per the requirement of MIB reflected in the RFP
8	Please share some approx. number of Auction based on last trends of all 839 FM Channels	These 839 channels are being auctioned for the first time.

90	<p>Please confirm whether MIB Users will also access the application? Who will bear the cost of Digital certificates for FM Channels Users and Vendors? NIIT understand the cost will be bear by Users themselves. If it will be provided by Service Provider then please share the no. of user for who will use the application.</p>	<p>Yes. MIB also requires access to the application for monitoring purposes. The cost of digital certificates to be used by prospective FM Bidders shall be borne by the FM channel users only.</p>
10	<p>Annexure-VA, C-Section - Weightage given to Broadcast related auctions should not be part of selection criteria. Service Providers having this nature of experience are very few. Opportunity should be given to all.</p>	<p>Weightage assigned to different parameters under Criteria for marks in Annexure-VA is final</p>
11	<p>What are the criteria of Auction Success? In case of unsuccessful auction, whether Operating fee will be considered for payment to service Provider?</p>	<p>Please refer to Notes 1 and 2 of Payment Formula given in Annexure-IVA at page 39 alongwith illustration at Page 40 and table at page 41</p>
12	<p>Please elaborate auction bidding type - price & price-quantity? What is the difference between these two bidding type?</p>	<p>The auction shall be undertaken city-wise and channel wise and the reserve price for each city to be taken in each batch will be set out upfront. {Clause 4.3 of FM Phase-III policy guidelines dated 25.07.2011 } Further, each FM bidder shall not hold permissions for more than what is prescribed in Clause 7 and 8 of the said policy. The number of channels which each existing FM Operator holds city wise in India is also given on ministry's website. In view of the above the bidders will have to suggest the most suitable option and design to maximize the revenues.</p>
13	<p>What is the delivery time after contract award?</p>	<p>Please refer clause 1.6.3 of RFP and clause 3.4 of agreement at Annexure-VIII</p>
14	<p>It is to bring into your kind attention that e-Procurement Technologies Ltd (ABC Procure) had conducted the auction as a secondary partner of Times Internet Ltd which is Times Group Company in the recently concluded Spectrum Auction being held by DoT, Govt. of India. Further as per clause 1.3.4 of the RFP "The bidder, shall not have any equity directly or indirectly in any FM radio broadcasting company in India. Similarly, any FM radio broadcasting company, shall not have any equity directly or indirectly in the bidder. The bidder shall not have any commercial dealings with the prospective FM operators. The bidder shall also disclose any past business deals in the proposal</p>	<p>Any bidder for selection as e-auctioneer having any commercial dealings with prospective FM operators including any commercial dealings in the past shall be liable to be declared as ineligible for bidding.</p>

	<p>drawing attention to the same. The decision of the MIB is final in respect of interpretation as to what constitutes the conflicting commercial dealings”.</p> <p>It may also be noted that Radio Mirchi FM Channel is also operated by Times Group. It may be submitted to MIB to consider this plea and look into this matter so that there will be a fair competition for both “Selection in Service provider” and “Selection of FM operator”.</p> <p>We believe that either Times group should be abstained in participating for FM operator or e-Procurement Ltd should be abstained for participating this RFP.</p>	
15	As the successful bidder has to get the STQC certification which normally takes long time, will MIB help in getting the bidder STQC audit on priority?	MIB may assist in getting the STQC certification in case of delay. However it will be primary responsibility of the bidder to get STQC certification.
16	How much time ministry will give to a selected bidder for acquiring STQC for the system?	The selected e-auctioneer shall acquire STQC certification before the commencement of the auctions of the first batch.
17	<p>There is no evaluation mechanism mentioned in the RFP document to justify the efforts of the service provider to create the Market Interest and Excitement in India.</p> <p>We request you to clarify how the Ministry will justify our efforts of creation of market awareness and excitement in the bids.</p>	The selected e-auctioneer shall provide documentary proof to MIB of all activities undertaken by it towards this end.
18	<p>The proposed e-auction is a Forward e-auction i.e. the Ministry is planning to sell the Channels through a dynamic Ascending Bidding order.</p> <p>We understand that the Ministry will consider the credentials of value and number of Forward Auctions conducted in last Three (3) years only and not the credentials of Reverse Auctions or e-tendering.</p> <p>Is our understanding correct?</p> <p>This was the procedure adopted by DoT while evaluating the Bids of Auctioneers.</p>	The value and number of all the e-auctions conducted during the last three calendar years shall be taken into account as per the Annexure-VA of the RFP.
19	Since the methodology to be adopted is SMRA, we understand that the STQC certification should be for the SMRA Auction engine customized to suit the requirements and functionalities of the proposed FM auction. Kindly confirm.	STQC certification shall be for simultaneous, controlled ascending e-auctions

20	<p>Sale of FM channel licenses can go on for a number of Auction events. Also, after completing the first batch of auction, the auction design like ranking rules, increment rules, frequency allotment etc. might change depending on the outcome of the first batch auction</p> <p>The STQC audit process is a minimum 45 – 60 days process including the Application testing and Hardware infrastructure inspection.</p> <p>The STQC compliance is required every time whenever there is even a minor change in the code of the application. Considering the above, the service provider will not be able to estimate the number of times the application will go under STQC audit and so the cost of certification.</p> <p>STQC certification is Free of Cost to the Government which can be confirmed with DoT for which we have undergone 3 Successful STQC Audits.</p> <p>Hence we request you to mention clearly in the RFP that the Cost of Certification is not on the Service Provider. This will in turn be economical to you as the service provider will not levy the cost of STQC certification in his Bid.</p>	Cost of STQC certification shall be borne by the selected e-auctioneer
21	<p>As per section 1.5.2 (d), the service provider is required to develop an optimum auction plan taking into account the availability of FM channels and competition characteristics.</p> <p>In contradiction to the same, Section F mentions only the Functional requirements of the said auction features bearing 20 Marks.</p> <p>There is no specific mention of submission of the Auction Strategy by the service provider including but not limited to:</p> <ul style="list-style-type: none"> • Number of batches • Cities per batch • Increment rules • EMD for each City/Category • Bidding Rules • Ranking Rule Algorithm • Implementation Methodology • Training and support Plan 	The auction strategy is an integral part of the optimum auction plan. The bidders must submit their e-auction strategy during the presentation which shall count towards the evaluation of their technical bids.

	<ul style="list-style-type: none"> • Process Work Flow • Estimated Project Plan • More.. <p>We request you to clearly mention that the Service Provider is required to submit and demonstrate the proposed Auction strategy to be followed which can later be modified by the Ministry in consultation with the successful bidder at the time of Invitation stage</p>	
22	<p>The bidder shall have a minimum paid up capital of Rs. 1 Crore or equivalent*on the date of application” Changes Required – Please change it to Rs.74 Lakh as minimum Paid up Capital</p>	Request cannot be accepted
23	<p>Conducted e-auction for Rs.13500 crore or more”</p> <p>Changes Required – We have conducted so many eAuctions that we do not know the value of our auctions and hence cannot prove that we have conducted Rs.13500 crore. Please remove this condition and and go by experience.</p>	Request cannot be accepted
24	<p>Conducted for more than Rs.100 crore of broadcast related eauction”</p> <p>Changes Required – Since broadcast related eAuctions rarely comes, we request you to remove this condition.</p>	Request cannot be accepted

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