

**SCHEME FOR ALLOCATION OF SPACE IN
ENTREPRENEUR DEVELOPMENT CENTRE, RGCTP,**

1. MODE OF ALLOCATION OF SPACE

- a) The office space available in EDC comprises of 19 bays totaling around 20,189 square feet. Out of the 19 bays, 11 bays (around 10,112 sft) are fully furnished with modular furniture and 8 bays (around 10,077 sft) are fully furnished but without modular furniture. Summary of the space is as per the table below:

SUMMARY OF SPACE IN EDC:

<u>State</u>	<u>Bays</u>	<u>Area (sft)</u>	<u>No. of Workstations / Seats</u>
Furnished	11	10112	183
Unfurnished	8	10077	205
Total	19	20,189	388

Details of tentative areas in each bay are as per Annexure A.

- b) Furnished bays having modular furniture installed shall be allocated to Young Entrepreneurs (YEs). This is in line with the plug & play model for incubation of YEs prevalent around the country.
- c) Furnished bays without modular furniture shall be allocated to Small & Medium Enterprises (SMEs). The SMEs would be required to furnish the space with modular furniture at their own cost and risk. The furniture shall have specifications and layout approved by Chandigarh Administration.
- d) Allocation shall be on leave and license basis for a maximum period of three years.
- e) Allocation shall be based on a two stage bidding process.
- f) Applications shall be invited from YEs and SMEs by way of advertisement in leading newspapers.
- g) The advertisement would specify the eligibility conditions and the process of selection of YEs & SMEs for allocation of space.

- h) Only organizations with proposed / existing businesses in IT / ITES excluding call centres for sales / marketing etc and excluding training shall be eligible to apply for space in both the categories.
- i) The bays shall be allocated to the highest eligible bidder for each bay as per the process mentioned below.

2. OPERATION AND MAINTENANCE OF EDC

- a) Repair and maintenance works of the building & Plant & Machinery shall be undertaken by the Engineering Department of the Chandigarh Administration.
- b) Other O&M services (e.g Security, Housekeeping etc) shall be provided by the Department of Information Technology, Chandigarh Administration.

3. ELIGIBILITY CRITERIA FOR YOUNG ENTREPRENEURS

- a) Applicant(s) should be an Indian or a person of Indian origin or a proprietorship / company / partnership firm registered in India.
- b) Applicants should be minimum 18 years of age on the date of the advertisement.
- c) In case the applicant already has a running business, the organization should not be more than 1 year old. Age of the organization will be determined from the date of its registration with the relevant Government Authority under the relevant Act (viz Indian Partnership Act, 1932, Companies Act 1956 etc as amended from time to time).
- d) Applicants should submit application on prescribed form (annexure B) along with supporting documents in support of nationality, age of individual, age of the organization and its legal status. Balance sheet / Profit & Loss, if any, should be submitted. Applicants should submit business plans that focus on IT / ITES excluding call centres for sales / marketing and excluding training. The business plans shall clearly spell out the profile of the YE / organization, ownership pattern, loan availed /

planned, existing and proposed business activity, Technology, platform, system / network architecture, geographical area of export (if any), existing & target clients (domestic and international), Technical collaboration, current manpower / manpower projections and current financials / financial projections (revenue / expenditure), SWOT analysis and viability assessment.

Note: The eligibility criteria above has been prescribed based on the various models across the country keeping in mind the objective of promotion of entrepreneurship.

4. ELIGIBILITY CRITERIA FOR SMALL & MEDIUM ENTERPRISES

- a) The applicant should be a company / proprietorship / partnership firm registered in India under the relevant Act (e.g Partnership Act, Companies Act).
- b) The organization should be working in the field of IT / ITES excluding call centres for sales / marketing etc and excluding training.
- c) Age of the organization should be between 1 and 4 years
- d) Investment in Plant & Machinery by the organization should be between Rs 10 Lacs and Rs 5 Crores
- e) Applicants should submit application on prescribed form (annexure B) along with supporting documents in support of registration of the organization, age of the organization and investments in Plant & Machinery. Balance sheet / P&L of the last three years should be submitted.
- f) Applicants should submit business plans that focus on IT / ITES excluding call centres for sales / marketing etc and excluding training which would detail the current business activity and activity planned from EDC. The business plans shall clearly spell out the profile of the organization, ownership

pattern, loan availed / planned, debt-equity ratio, existing and proposed business activity, Technology, platform, system / network architecture, geographical area of export (if any), existing & target clients (domestic and international), Technical collaboration, current manpower / manpower projections and current financials / financial projections (revenue / expenditure), SWOT analysis and viability assessment.

Note: The eligibility criteria related to turnover is based on the guidelines of the Ministry of Micro Small & Medium Enterprises, Government of India and also keeping in mind the objective to support SMEs.

5. PROCESS OF APPLICATION FOR SPACE IN EDC

- Applications shall be called from eligible YEs & SMEs by way of advertisements.
- The selection of licensee shall be done by a Committee based on a two stage process.
- The applicants shall submit three sets of separate sealed envelopes to apply for space in EDC.

The first set (envelopes 'A') shall contain the following documents:

- a) Application in the prescribed form (annexure B).
- b) Documents in support of eligibility criteria (age of individual, nationality, age of organization, legal status, registration, investment in Plant & Machinery, balance sheet & P&L).
- c) A business plan for its operations from EDC. The business plans shall clearly spell out the profile of the organization, ownership pattern, loan availed / planned, debt-equity ratio, existing and proposed business activity, Technology, platform, system / network architecture, geographical area of export (if any), existing & target clients (domestic and international), Technical collaboration, current manpower / manpower projections and

current financials / financial projections (revenue / expenditure),
SWOT analysis and viability assessment.

All the documents mentioned in a), b) & c) above should be signed on all pages by the applicant.

Three such envelopes (one containing the original application form, supporting documents & the business plan and two envelopes containing copies) shall be submitted. The envelopes shall be marked as “ENVELOPE A - APPLICATION FOR SPACE IN EDC (ORIGINAL)” or “ENVELOPE A - APPLICATION FOR SPACE IN EDC (COPY)” as the case may be.

The second set (envelopes ‘B’) shall contain separate envelopes containing Demand Drafts for earnest money for each bay for which the applicant has submitted a bid. Earnest money shall be Rs 1000 per bay for which bid has been submitted and the Demand Drafts shall be drawn in favor of “Director Information Technology, Chandigarh”. Each envelope shall be super scribed as “ENVELOPE B - EARNEST MONEY FOR BAY NUMBER.....”.

The third set (envelopes ‘C’) shall contain separate envelopes containing license fee bids for different bays. A bidder shall be allowed to bid for any number of bays for which he is eligible. However, he shall be considered for allocation of 1 bay only even if more number of his bids are the highest. The format of the license fees bid shall be as follows:

NAME & ADDRESS OF THE BIDDER:

<u>Bay number</u>	<u>Area (sft)</u>	<u>Bid (Rs per sft per month)</u>	<u>EMD demand draft details</u>

Signature of the bidder with date

The envelopes shall be marked “ENVELOPE C - LICENSE FEE BID FOR BAY NUMBER”.

All the envelopes mentioned above shall be sealed and put in a sealed master envelop addressed to the Director Information Technology, 5th Floor, Additional Deluxe Building, Sector 9-D, Chandigarh. The master envelope shall also be sealed.

All envelopes and the master envelope should mention the name, address & contact telephone / mobile number of the applicant.

6. SELECTION PROCESS TO BE FOLLOWED BY THE COMMITTEE

- a) The Committee shall, on a specified date and place which shall be put up on the website of Department of IT, Chandigarh Administration in advance, open envelopes A & B of the applicants. The applicants shall be allowed to be present at the time of opening of envelopes.
- b) The eligibility of the applicants shall be checked based on the details mentioned in the application form and the required supporting documents including the business plans.
- c) The demand drafts for the earnest money shall be checked for validity / correctness. In case the valid earnest money demand drafts deposited are less than the number of bays for which the applicant has submitted license fee bids (as ascertained from the details mentioned in the application form and the number of envelopes C submitted by the applicant), the applicant shall be considered only for the bays for which the bids are to be opened first. The bids shall be opened in serial order of the number of the bays. E.g if the applicant has submitted bids for O3, O6 & O10 but submitted valid earnest money demand draft for two bays, he shall be considered for O3 & O6 only and he shall be deemed to have not bid for O10. Thus his bid envelope for O10 shall not be opened.
- d) Those found eligible and who have submitted the required valid earnest money shall be recommended by the Committee for opening of license fees bids of the applicants for those bays. Bay-wise list of eligible applicants and the date & place for opening of

the license fees bids (envelope C) shall be shall be put up on the website.

- e) License fees bids of the eligible applicants shall be opened by the Committee in serial order of the bays (i.e O1, O2, O3 and so on) on the specified date at a specified place. The bidders shall be allowed to be present at the time of opening of the license fees bids (envelop C) for the relevant bays.
- f) A Bay shall be offered for allocation on leave & license basis to the highest bidder for that bay provided the bid is not below the reserve price fixed for the purpose. However, a bidder shall be considered for allocation of maximum one bay only even if more number of his bids are the highest for other bays. Such offer of allocation shall be by way of a written communication by the Department of IT, Chandigarh.
- g) In case the number of highest bids for a particular bay is more than one, selection of the licensee shall be based on a draw of lots conducted in presence of the bidders.
- h) The bidder to whom bay is offered for allocation on leave and license basis as above shall need to enter into a leave and license agreement with the Chandigarh Administration as per the prescribed format within 5 working days of issue of the offer letter. In case the selected bidder does not enter into the agreement as above or it is found that any information provided by him in his application is not correct, the earnest money deposited shall be forfeited and the offer for allocation of the bay may be cancelled and the bay offered to him shall be offered to the next highest bidder either directly or by way of draw of lots as the case may be. If required, this process may be iterated till all the bidders for particular bays are considered.
- i) A successful bidder shall not be allowed to bid for any subsequent tender released for allocation of space in EDC in future.

7. RESERVE LICENSE FEE:

The reserve license fee for the YEs is Rs 25 per sft per month and the reserve licence fees for the SMEs is Rs 50 per sft per month. Bids below the reserve price shall not be considered. Annual escalation of 5% shall be applicable for both YEs and SMEs. The reserve rates may be revised in future by Chandigarh Administration as per the market conditions and other relevant factors. Service tax and other taxes as applicable shall be payable by the licensee.

8. FACILITY MANAGEMENT CHARGES (for both YEs and SMEs):

In addition to the license fee finally fixed for the bays, Rs 15 per square feet per month shall be charged from the licensees of space in EDC to cover the following costs for operations upto 12 working hours in a day (8AM to 8 PM):

- a. Security
 - b. Facility management & Housekeeping
 - c. Repair and maintenance
 - d. Running expenses like electricity, water and diesel for the DG set
- For operations beyond 12 hours (8PM to 8AM), additional charge of Rs 10 per square feet per month shall be payable.

Service tax and any other taxes as applicable shall be payable by the licensee.

The rates may be revised in future by Chandigarh Administration as per market conditions and other relevant factors.

9. PARKING

Free parking as per the details below shall be provided for the licensees:

<u>Floor</u>	<u>Bay Label</u>	<u>TENTATIVE AREA (Sft)</u>	<u>Cars</u>	<u>Two wheelers</u>
Ground	O-1	1,315	3	9
Ground	O-2	1,195	2	6
Ground	O-3	507	1	3
Ground	O-4	497	1	3
Ground	O-5	482	1	3

<u>Floor</u>	<u>Bay Label</u>	<u>TENTATIVE AREA (Sft)</u>	<u>Cars</u>	<u>Two wheelers</u>
First	O-6	499	1	3
First	O-7	989	2	6
First	O-8	960	2	6
First	O-9	740	1	3
First	O-10	1,094	2	6
First	O-11	1,046	2	6
Second	O-12	707	1	3
Second	O-13	848	2	6
Second	O-14	1,162	2	6
Second	O-15	1,114	2	6
Third	O-16	1,613	3	9
Third	O-17	1,785	4	12
Third	O-18	1,648	3	9
Fourth	O-19	1,989	4	12
TOTAL		20,189	39	117

However, the free parking facility mentioned above may be withdrawn at the sole discretion of the Chandigarh Administration without any notice.

For additional parking, extra charges as decided by the Chandigarh Administration may be levied from time to time.

10. OTHER CONDITIONS:

- a) Applicant can apply for space only under one category, either YE or SME.
- b) The bays are being offered on 'as is where is' basis and the bidders are required to visit the site in advance and ascertain the shape, size of the bays and the number of modular furniture / other infrastructure in each bay.
- c) The licensee shall be required to pay one month advance license fees and two months license fees as security deposit at the time of signing of the leave & license agreement.
- d) The leave and license agreement shall initially be for a period of 12 months. The agreement is extendable twice so that the maximum total period of license of any licensee shall under no circumstances be beyond 36 months.

- e) The licensee in the YE category shall start production from the allocated space within two months of commencement of the agreement failing which the license shall stand terminated.
- f) The licensee in the SME category shall start production within 3 months from the commencement of the agreement failing which the license shall stand terminated.
- g) The licensee shall not be allowed to sub-license the space and in the event of any violation of the agreement the Chandigarh Administration shall have the option to terminate the agreement with 15 days notice. For this purpose, the Chandigarh Administration shall closely monitor the performance of the licensee.
- h) At the end of 36 months stated above, the licensee shall cease to have any right of easement and the license agreement shall stand terminated automatically without the requirement of any notice.
- i) That the licensee is not authorized to make any additions / alterations in the Demised Premises without prior approval of the licensor. The Licensee shall bear all costs / risks associated with such additions / alterations / repairs.
- j) The licensed space shall be used by the licensee only for the purpose specified in the agreement
- k) That the Licensor & the Licensee shall have the option to terminate the license agreement by giving two month's notice in writing to the other party even if all the terms and conditions of this agreement are being fulfilled by each party. In the event of such termination, the Licensee shall vacate the premises at the end of the notice period.
- l) The licensee shall be provided 24 hour power backup through DG sets for specified light fittings / specified light points / specified power points / fire alarm system and lifts for the entire building.
- m) The licensee will be required to ensure UPS supply for the workstations installed in the licensed premises at its own cost and risk.
- n) Network cabling has been done in all the bays except Bay 'O-19' on the fourth floor by Chandigarh Administration. Internet connectivity at EDC shall be provided by Software Technology Parks of India to the YEs and SMEs at rates decided by them. Other ISPs may be allowed

to provide connectivity services in the EDC subject to approval of Chandigarh Administration.

- o) Other facilities like use of conference and seminar hall of the EDC shall be available for the licensees at a rate specified by the Chandigarh Administration.
- p) Earnest money of unsuccessful bidders shall be refunded within 21 days of completion of the bidding process including the iterations.

11. AGREEMENT WITH THE LICENSEES:

A leave and license agreement between Chandigarh Administration and the various licensees for the relevant bays will be executed. The agreement will be based on the details mentioned in the scheme and any other conditions as deemed fit by the Chandigarh Administration. Format of the agreement will be as prescribed by the Chandigarh Administration.

ANNEXURE A – Details of office bays in EDC

<u>Floor</u>	<u>Bay Label</u>	<u>TENTATIVE AREA (Sft)</u>	<u>Tentative Number of Workstations</u>	<u>Remarks</u>
Ground	O-1	1,315	19	With modular furniture
Ground	O-2	1,195	14	With modular furniture
Ground	O-3	507	4	With modular furniture
Ground	O-4	497	8	With modular furniture
Ground	O-5	482	6	With modular furniture
First	O-6	499	9	Without modular furniture
First	O-7	989	18	Without modular furniture
First	O-8	960	18	With modular furniture
First	O-9	740	14	With modular furniture
First	O-10	1,094	28	With modular furniture
First	O-11	1,046	19	With modular furniture
Second	O-12	707	16	Without modular furniture
Second	O-13	848	16	Without modular furniture
Second	O-14	1,162	32	With modular furniture
Second	O-15	1,114	21	With modular furniture
Third	O-16	1,613	34	Without modular furniture
Third	O-17	1,785	41	Without modular furniture
Third	O-18	1,648	35	Without modular furniture
Fourth	O-19	1,989	36	Without modular furniture
TOTAL		20,189	388	

Above layout plan is subject to future changes, modifications as decided by Chandigarh Administration. The number of furnished / unfurnished bays may also vary and the modular furniture / Workstation space installed in any bay may also vary.

ANNEXURE B - FORMAT OF APPLICATION FORM

1. NAME OF THE APPLICANT (s) INDIVIDUAL / ORGANISATION:
2. ADDRESS:
3. CONTACT NUMBERS / EMAIL ID / WEBSITE:
4. DATE OF BIRTH (IN CASE OF YEs):
5. DATE OF REGISTRATION OF THE ORGANISATION & REGISTRATION NUMBER:
6. NATIONALITY / PLACE OF REGISTRATION:
7. PAN NUMBER & IEC NUMBER (IF ANY):
8. PROFILE OF THE YEs / DIRECTORS / PROPRIETORS / PARTNERS:
9. OWNERSHIP PATTERN:
10. LOANS TAKEN BY THE ORGANISATION:
11. PROFILE OF THE ORGANISATION:
12. TYPE OF BUSINESS:
13. TURONOVER (INR PER ANNUM) FOR THE LAST THREE YEARS:
14. CURRENT MANPOWER:
15. NUMBER OF BAYS FOR WHICH BID SUBMITTED:
16. BUSINESS PLAN SUBMITTED: YES / NO

Signature of the applicant

NOTES:

- a) Self attested documents in support of all the eligibility criteria should be enclosed with the application form
- b) The business plans shall clearly spell out the profile of the organization, ownership pattern, loan availed, debt-equity ratio, existing and proposed business activity, Technology, platform, system / network architecture, geographical area of export (if any), existing & target clients (domestic and international), competition, Technical collaboration, current manpower / manpower projections and current financials / financial projections (revenue / expenditure), SWOT analysis and viability assessment.