

REGIONAL CONNECTIVITY SCHEME (RCS) – UDAN 4.2-1
March 2022

Notification

1. This is a special bidding round under UDAN 4. In this context, this notification is issued regarding the launch of bidding process under UDAN 4.2-1 incorporating the provisions of the new Small Aircraft Sub-Scheme.

2. **OBJECTIVES of UDAN 4.2-1**
 - a. The emphasis of this round is on cancelled / terminated/ unawarded / unbid small aircraft or helicopter routes as mentioned in Clause 3.c of this Notification.
 - b. The Ministry of Civil Aviation intends to award such routes to Selected Airline Operator(s) by conducting a special round of bidding process (“UDAN 4.2-1”).
 - c. Given that the RCS aims to promote growth of air connectivity within the country, such routes shall be governed under the RCS-UDAN-Small Aircraft Sub-Scheme (“SAS”) Version 1.0 March 2022 (hereinafter referred to as the “Scheme”).

3. **KEY FEATURES**

The key features of UDAN 4.2-1 are:

 - a. The routes under the bidding process have been pre-defined based on the cancelled / terminated/ unawarded / unbid small aircraft or helicopter routes as mentioned in Clause 3.c of this Notification.
 - b. Only Individual Route Proposals shall be allowed for the bidding process
 - c. The routes available under UDAN 4.2-1 are of the following types –
 - i) Un-served fixed-wing routes connecting un-served / under-served airports (as per definition of RCS SAS Routes under the Scheme)
 - ii) Un-served fixed-wing routes connecting served airports (as per definition of Served RCS SAS Routes under the Scheme) that have been bid for and awarded to airlines under previous rounds of the Regional Connectivity Scheme that are now being reconsidered under UDAN 4.2-1 due to various reasons.
 - iii) Select RCS SAS Routes for helicopter operations.
 - iv) Routes of UDAN 4.1 that were included as part of the NIeP of UDAN 4.1 but received no bids or were unawarded due to various reasons such as non-suitability of proposed aircrafts.
 - v) Select new routes so as to make the respective unserved airports, operational.

The applicable share of States for VGF support for all the aforementioned routes shall be available as per the provisions mentioned in the Regional Connectivity Scheme Version 4.0 document, namely 20% for states other than for North-Eastern States and Union Territories of India, where the ratio will be 10%, unless the routes are proposed by the State Governments / Union Territories / Ministry of Tourism, where the share would be 100% by the proposing agency, as provided in Annexure III B of UDAN 4.2 NIeP.

A list of all RCS SAS Routes available under the current round of bidding has been provided in Annexure III of the Notice Inviting Proposal (“NIe-P”) document.

4. **KEY CHANGES/MODIFICATIONS**

- a. The RCS SAS Routes available for bidding under UDAN 4.2-1 will not include fixed-wing aircraft routes with stage length greater than 500km. VGF cap for all routes with stage length greater than 400km will correspond to the VGF cap for routes with stage length between 376 km and 400km.
- b. As an extension to Section 3.2.1.5 of the Scheme, operations through a valid Non-Scheduled Operator's Permit (NSOP) will be allowed for the tenure of the RCS SAS Route, and the SAO shall have the option to continue operating under NSOP even after the licensing of the water aerodromes or helipads. Additionally, operations under NSOP will also be allowed for non-seaplane, fixed-wing aircraft, for RCS SAS Routes awarded under UDAN 4.2-1.
- c. New Airfare and VGF Caps applicable for small aircraft under UDAN 4.2 have been specified in Annexure V and Annexure VI of the NIE-P. Bidders are requested to consider these while submitting their proposals. Please note, that these are indexed figures for the quarter April to June 2022 and will be subject to indexation as per the mechanism specified in the Scheme.
- d. After identification of the preferred applicant for each RCS SAS Route, MoCA and the Implementing Agency shall finalize the terms of award in consultation with the various State Governments / UT administrations / Ministry of Ports, Shipping and Waterways / Ministry of Tourism and airlines based on an assessment of parameters including, but not limited to, availability of funds, government priorities, past performance of the airlines with respect to operationalization of the previously awarded routes under UDAN, current status of routes being considered for award etc. Accordingly, it is to be noted that award of proposals may be undertaken in a phase-wise manner. Decisions of MoCA and Implementing Agency in this regard shall be final and binding on all parties.
- e. As an extension of section 3.11 of the Scheme, the Implementing Agency shall consider allowing SAOs, an additional operating flexibility to operate any frequency of weekly RCS flights, with a minimum of 2 flights per week. Moreover, the Implementing Agency shall also consider allowing SAOs to operate RCS Flights on RCS Routes with an aircraft with a different RCS Flight Capacity as opposed to what will be provided in the bid by the SAO. Both these flexibilities are allowed in such a way that the total VGF in the relevant period remains the same as determined under the Letter of Award or the Selected Airline Operator Agreement, as the case may be.

5. **PROPOSAL SUBMISSION**

- a. An Applicant may submit only Individual Route Proposals (as defined under the Scheme) for the routes listed in Annexure III of the NIE-P document. Applicants must fulfill all other eligibility criteria mentioned under the Scheme.
- b. A single round of bidding shall be conducted, and the Applicant shall submit the bid as per the instructions mentioned in the NIE-P document for the routes listed in Annexure III of the NIE-P document. The bidding shall be done through the Central Public Procurement Portal (CPPP).
- c. The technical and financial proposal submission requirements shall be as per the instructions mentioned in the NIE-P document.
- d. The bid evaluation parameter shall be the lowest VGF per seat. In case of a tie between multiple applicants, the evaluation of the bids shall be as per the framework provided under the Scheme.
- e. Minimum performance specifications shall be applicable as per the Scheme for all routes awarded under the current bidding round.

All other terms and conditions as per the Scheme shall be applicable for the routes available under current round of bidding, unless otherwise stated in this notification.