



**Infrastructure Corporation of Andhra Pradesh Limited
(INCAP)**

**INFORMATION MEMORANDUM
FOR THE PREPARATION OF**

Expression of Interest

**FOR DEVELOPMENT OF GREENFIELD PORT AT BHAVANAPADU,
SRIKAKULAM DISTRICT, ANDHRA PRADESH
(FEBRUARY 2015)**

Proposal Due Date: 16-03-2015

(This document is meant for exclusive purposes of submitting a response to the EOI document and shall not be transferred, reproduced or otherwise used for purposes other than that for which it is specifically issued)

**Vice Chairman and Managing Director,
Infrastructure Corporation of Andhra Pradesh Limited (INCAP)
10-2-1, III Floor, FDC Complex, AC Guards,
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Infrastructure Corporation of Andhra Pradesh Ltd.
(Under the control of Infrastructure & Investment Dept., GoAP)



**NOTICE INVITING EXPRESSION OF INTEREST (EOI)
DEVELOPMENT OF GREENFIELD PORT AT BHAVANAPADU**

Notice No. INCAP/D/ Development of Bhavanapadu Port/383/2011-12 Dt:13-02-2015

Introduction: Government of Andhra Pradesh, in order to boost the sea trade facilities in the state of Andhra Pradesh, proposes to develop a Greenfield port at Bhavanapadu, Srikakulam District, Andhra Pradesh

Expression of Interest (EOI): Infrastructure Corporation of Andhra Pradesh (INCAP), under Energy, Infrastructure & Investment Department, is the nodal agency for conducting transaction advisory for development of non-major ports in Andhra Pradesh. INCAP invites private developers(single entity or a group of entities) having development experience, technical expertise, financial capability and operational experience for development, operations and maintenance of a Greenfield port at Bhavanapadu in Andhra Pradesh under Public Private Partnership (PPP) framework in Design, Build, Finance, Operate and Transfer (DBFOT) basis.

INCAP is interested to formulate the development model and qualification criteria after taking views of the interested applicants. Based on the responses received, Request for Qualification, Request for Proposal and Draft Concession Agreement document will be prepared and will be circulated among the interested applicants who have submitted their Expression of Interest.

All other details including any date extensions, clarifications, amendments, etc., will be uploaded only to the website of INCAP and will not be published in Newspapers. Hence, applicants shall regularly visit the website of INCAP to keep themselves updated.

The Project Information Memorandum can be downloaded from the website: www.incap.co.in

How to Apply: Interested Applicants are requested to submit EOI to the address as mentioned below and must be delivered in hard copies no later than 1500 hours IST on March 16, 2015. Late submissions will not be accepted.

Address for Communication:

The Vice Chairman and Managing Director,
Infrastructure Corporation of Andhra Pradesh Ltd.,
10-2-1, III Floor, FDC Complex, AC Guards,
Hyderabad - 500 028, Telangana, India.
Tel: +91-40-2332 1771/2; Fax:+91-40-2332 1773
Email: incap@incap.co.in
Website: www.incap.co.in

For any queries please send e-mail to: brk.sns@gmail.com/ incap@incap.co.in or contact Mr. V Ravi Kumar, Director of Ports, Kakinada on +91-9700762424

DISCLAIMER

The information in this document has been prepared to assist the applicants in preparing the non-binding EOI and it is clarified that:

- a) It does not constitute an invitation to offer or an offer in relation to the transaction.
- b) This document does not constitute any contract or agreement of any kind whatsoever.
- c) This document does not, and does not purport to contain all the information that interested firms and their advisors would desire or require in reaching decisions pertaining to any transaction. Interested applicant should form their own view as to what information is relevant to such decisions and make their own independent investigations in relation to any additional information.
- d) Neither the information in this document nor any other written or oral information in relation to the transaction or otherwise is intended to form the basis of or the inducement for any investment activity or any decision to enter into any contract or arrangement in relation to the transaction and should not be relied on as such. INCAP nor their employees or advisors shall responsible / liable to any party in any way for costs associated in preparation & submission of EOI.
- e) INCAP is not bound to accept any or all of the EOIs. INCAP reserves the right to reject any or all EOIs without assigning any reasons. No applicant shall have any cause of action or claim against INCAP or its officers, employees, advisors, agents, successors or assignees for rejection of this EOI. INCAP shall be entitled to invite proposals from entities other than the Applicants who have submitted EOI.
- f) Failure to provide information that is essential to evaluate the applicant's qualifications or substantiation of the information supplied, shall result in disqualification of the applicant from the EOI process.
- g) It shall not be assumed that there shall be no deviation or change in any of the herein mentioned information. While this document has been prepared in good faith, neither INCAP nor any of their respective officers or employees or advisors or agents make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions here from. Any liability is accordingly expressly disclaimed by INCAP or any of their respective officers, employees, advisors or agents, whether negligent or otherwise.

INVITATION FOR EXPRESSION OF INTEREST

1. INTRODUCTION

1.1. Background

- 1.1.1. Andhra Pradesh is one of the 29 states of India, located in the South-Eastern part of Peninsular India. The state has a 974 km long coastline, second longest in India, located in the South-Eastern part of Peninsular India.
- 1.1.2. The Government of Andhra Pradesh has plans to develop a non-major Greenfield port at Bhavanapadu, Srikakulam District. This proposal emanates from the fact that the hinterland of this port has a rich potential of agricultural produce, salt, marine and mineral resources. The hinterland comprises of Srikakulam and Vizianagaram districts of Andhra Pradesh and mineral rich states of Chhattisgarh, Jharkhand, Madhya Pradesh and Southern Orissa.
- 1.1.3. Besides one major port, administered under the Major Port Trusts Act, i.e. Visakhapatnam port, the state has identified 14 non-major port locations for development, administered by the Director of Ports, Kakinada, Government of Andhra Pradesh.
- 1.1.4. Of the 14 port locations, 3 non-major ports are already operating under PPP concessions by private investors, namely Gangavaram, Kakinada Deep Water port and Krishnapatnam. As of March 2014, these ports handled more than 50 million tonnes of cargo. Added to approximately 60 million tonnes of cargo handled by Vishakhapatnam Major Port, the state's coastline contributes to approximately 12% of the India's cargo throughput.

1.2. Unique Advantages of the Coastline

The coastline of Andhra Pradesh has several advantages, some of which are enumerated below:

- 1.2.1. Availability of favorable sea-side features, including deep draughts and protected shore-fronts at many of the identified port locations.
- 1.2.2. The natural alignment of the coastline that makes it poised for greater competitiveness in handling cargo arriving from/destined to the Eastern hemisphere.
- 1.2.3. Availability of shore-front and land-side advantages in several Greenfield locations which are relatively unobstructed by urban sprawl, and with ability to expand as large ports.
- 1.2.4. Connectivity backbone along the coastline in the form of the South-Eastern leg of the Golden Quadrilateral network (i.e. NH16), and the Kolkata-Chennai railway route which is already operated as an electrified double line trunk route.

1.3. Development trends in the hinterland

The state's ports are expected to play a critical role in shaping the future development of the state and the entire east coast. This is borne out by several economic and logistics trends.

- 1.3.1. Manufacturing-oriented Development and India's Look East Policy

The Government of Andhra Pradesh has adopted a balanced development model, which will have an equal focus on industries, agriculture and services. Since the state lags behind manufacturing contribution to GDP, the state Government has identified several initiatives to rejuvenate the manufacturing sector in the state, including investments in National Manufacturing Investment Zones (NIMZs), aligned with the National Manufacturing Policy (NMP). This is expected to create a large demand for shipping and logistics of raw materials and manufactured goods through the coastline.

India's Look East Policy was initiated in 1991 which seeks to establish closer ties with East Asian economies as a means to realize its aspirations of becoming a global economic superpower. The state's coastline is naturally suited for tighter integration with East Asian and South-East Asian economies in terms of participating in global manufacturing supply chains, which have hitherto largely bypassed the sub-continent, and the ports of the coastline are expected to play an important part in this process. The State government seeks to leverage its locational advantage and pursue a port-led economic development strategy that could also result in the State emerging as the node integrating India into the global manufacturing supply chain.

1.3.2. Vizag – Chennai Industrial Corridor

The proposed Vizag – Chennai Industrial Corridor (VCIC), is one of the major initiatives in this regard. The proposed Corridor is a part of the East Coast Economic Corridor (ECEC), nation's first coastal corridor, aligned to the Golden Quadrilateral and is envisaged to play a key role in India's Look East Policy. The proposed Corridor shall also form an important part of the Government of India's plan for providing impetus to economic development in the region.

VCIC is expected to have an Influence Area spread across the states of Andhra Pradesh and Tamil Nadu which have significant share of contribution to national GDP and total manufacturing output of the country. 11 districts in AP (Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Prakasam, Nellore, Kadapa and Chittoor) fall in the influence zone. These districts represent almost 80% of the state's area and are expected to become home to various industrial nodes providing a renewed thrust to domestic and export-oriented manufacturing. This will in turn, create demand for both in-bound and outbound logistics through the port networks.

1.3.3. Other Manufacturing-led developments in the region

Special Investment regions like the Petroleum and Petrochemical Investment Regions (PCPIR), such as the ones near the Kakinada-Srikakulam region will create demand for commodity-specific port infrastructure. Further, other industrial corridors like Chennai-Bangalore Industrial Corridor (CBIC) and Bangalore-Mumbai Economic Corridor (BMEC) will create cargo opportunities in the secondary hinterland.

These developments will create large cargo traffic opportunities for ports in the peninsular region. However, with environmental restrictions affecting the Karnataka coastline development, BMEC may either look northwards at the congested ports of Mormugao and JNPT, or seek the Andhra Coastline for cargo evacuation facilities. Likewise, the CBIC corridor faces port capacity expansion challenges in the Chennai-Ennore region, and

therefore the industrial developments in CBIC will seek Andhra coastline as the natural choice for its cargo evacuation needs.

1.4. Existing facilities at Bhavanapadu

- 1.4.1. Bhavanapadu Port is situated at latitude 18° 34' N and longitude 84° 34'E on Northern bank of Tekkali creek at about 800m inside the creek from confluence with sea. This port is about 80 nautical miles of north east of port of Visakhapatnam. A map of the location is attached for reference.
- 1.4.2. A fishery harbour exists at Bhavanapadu. The facilities of this harbour include 50 meters wide navigation channel between two rubble mound groynes, 275 meters long quay parallel to creek, auction hall, vast reclaimed open area, substation building, lighting etc., and also large open land is available around the port which can be occupied in case of need.
- 1.4.3. No commercial traffic is been handled at this harbour at present. Even the facilities available of the fully developed fishery harbour are not being used.

1.5. Connectivity

- 1.5.1. The National Highway-16 from Chennai to Kolkata is at a distance of about 25 kms from Bhavanapadu. It is connected to NH-16 by means of a single lane bituminous road of 5 meters. It passes through Naupada.
- 1.5.2. The Chennai - Kolkata broad gauge (BG) main lane passes about 7 kms from Bhavanapadu at Naupada Junction. There is a 90 km long branch-line from Naupada Junction upto Gunpur which has been converted into broad gauge in 2011-12.
- 1.5.3. The nearest airport is Visakhapatnam airport. Government of Andhra Pradesh is planning a Greenfield international airport at Bhogapuram near Visakhapatnam.
- 1.5.4. Government of Andhra Pradesh is also planning a beach road connecting Tada to Ichchapuram approximately 1000 Km along the coastal corridor.

1.6. Project Brief

- 1.6.1. AP Government has proposed Bhavanapadu Port to be developed as a non-Major Port and for this purpose has defined the following port limits:
- 1.6.2. “Area in between the two lines drawn due east upto 10 meters of water sea ward from a point Latitude : 18° 33' N and Longitude : 84° 20' E as Southern limit and drawn due East upto 10 meters of water seaward from a point Latitude : 18° 34.7' N and Longitude : 84° 20' E as Northern Limit.”
- 1.6.3. The project is proposed to be developed in 3 phases based on traffic growth. It would have access to significant traffic inflows owing to power projects in its immediate hinterland and also presence of steel plants in the secondary hinterland
- 1.6.4. Vizag-Chennai Industrial Corridor is being developed by ADB. With industrial development in the hinterland, significant traffic is expected in the port.

1.7. Role of selected Applicant

- 1.7.1. The selection of the Applicant for development of the Port on Design Build Finance Operate Transfer (DBFOT) basis will be done through Public-Private Partnership model in line with the Government Guidelines.
- 1.7.2. The selected Applicant has to Design, Engineer, Finance, Procure, Construct, Operate, Maintain, Market, and Transfer the Port.
- 1.7.3. Interested national and international Applicants of repute, having international exposure in marine works are hereby invited to submit their “Expression of Interest” (EOI) for participating in global competition for Developing Bhavanapadu Port.

1.8. Eligibility criteria for submission of Expression of Interest

- 1.8.1. The Applicant for Expression of Interest may be a single entity or a group of entities (the “Consortium”), coming together to implement the Project.

Applicants interested in the project are required to submit their Expression of Interest in writing, indicating the following Eligibility Criteria:

- a) Financial Capacity:
Net worth of the Applicant should be more than Rupees 800 Crores (Rupees Eight Hundred Crores).
 - b) Technical Capacity:
The Applicant should have experience of development/construction, operations and maintenance of projects in the port sector
 - c) In case of a Consortium, the combined technical capacity and net worth of the consortium members should satisfy the above conditions of eligibility
- 1.8.2. The following documents may be used to establish the eligibility
 - a) Details of the company / each member of the consortium
 - b) Audited annual accounts (P&L and Balance Sheet) of the company /all the consortium members for the last 3 years.
 - c) Net Worth certificate signed by the auditor
 - d) Details of the technical expertise and operational experience in port sector giving details for each project (Format for providing the credentials is provided in annexure to this note) –
 - Location of the project
 - Date of award of the project
 - Current status of the project
 - Cost of the project,
 - Infrastructure facilities provided etc.

1.9. Stages subsequent to the submission of the EoI

- 1.9.1. INCAP may get in touch with the applicants submitting a response to the EOI to get further clarifications, if required.

- 1.9.2. After assessing the responses from the applicants INCAP will initiate the process (through the issuance of RFQ and RFP) for selecting a developer for the greenfield port at Bhavanapadu.

1.10. Submission of the Expression of Interest

- 1.10.1. Parties interested in the Project are required to submit their Expression of Interest in writing **on or before 1500 hours IST on 16.03.2015** and the same will be **opened at 1600 hours IST on 16.03.2015** at the following address:

Board room of
Infrastructure Corporation of Andhra Pradesh,
#10-2-1, 3rd floor, FDC Complex,
AC Guards, Hyderabad - 500028
Phone: 040-23321771/2
Fax: 040-23321773
Email: incap@incap.co.in

The Applicants are advised in their own interest to ensure that completed Expression of Interest reaches the office of client at the address mentioned well before the dates stipulated in the document. Expression of Interest submitted through Speed post/ Registered Post / Courier / Hand delivered shall be accepted. Expression of Interest submitted through Telex / Telegraphic / Fax / email will not be considered and summarily rejected. A CD containing a soft copy of the EOI response, MS-Word compatible, shall also be submitted in the same sealed cover.

Proposals received after the date and time stipulated in this EOI shall not be considered and shall be summarily rejected.

If any unscheduled holiday occurs on the date of submission / opening of the EOI response, then the next working day shall be the prescribed date of submission / opening of the EOI response. Venue and time shall remain unchanged.

The Official Website of the Authority is: <http://www.incap.co.in>. All details including Project Information Memorandum, any due date extensions, clarifications, amendments, addenda, corrigenda, etc., in respect of this notification will be uploaded only to the website of INCAP and will not be published in Newspapers.

- 1.10.2. All communications, including the envelopes, should contain the following text, to be marked at the top in bold letters:

Notice No. INCAP/D/ Development of Bhavanapadu Port/383/2011-12 Dt:13-02-2015

**EXPRESSION OF INTEREST FOR DEVELOPMENT OF GREENFIELD PORT AT
BHAVANAPADU, SRIKAKULAM DISTRICT, ANDHRA PRADESH**

INFORMATION AND INSTRUCTIONS TO APPLICANTS

- 1.11.** All information called for in the enclosed forms should be furnished against the relevant columns in the forms. If for any reason, information is furnished on a separate sheet, this fact should be mentioned against the relevant column. Even if no information is to be provided in a column, a 'nil' or 'no such case' entry should be made in that column. If any particulars/ query are not applicable in case of the applicant, it should be stated as 'not applicable'. The applicants are cautioned that not giving complete information called for in the application forms or not giving it in clear terms or making any change in the prescribed forms or deliberately suppressing the information shall result in the applicant being summarily disqualified.
- 1.12.** The application should be typewritten. The applicant should sign each page of the application.
- 1.13.** The applicant may furnish any additional information, which is deemed necessary to establish capability to successfully complete the envisaged project. Superfluous information need not be furnished and no information shall be entertained after submission of EOI document unless specifically called for.
- 1.14.** Any information furnished by the applicant found to be incorrect either immediately or at a later date, would render him liable to be debarred from taking up the project.

The EOI document in prescribed form duly completed and signed should be submitted (hard copy) in a sealed cover. The sealed cover superscribed the following shall be delivered to the address specified in the EOI on or before 16.03.2015. A soft copy, MS-Word compatible, shall also be submitted in the same sealed cover. Documents submitted in connection with EOI will be property of INCAP.

“Notice No. INCAP/D/ Development of Bhavanapadu Port/383/2011-12 Dt:13-02-2015

EXPRESSION OF INTEREST FOR DEVELOPMENT OF GREENFIELD PORT AT BHAVANAPADU, SRIKAKULAM DISTRICT, ANDHRA PRADESH

- 1.15.** Prospective applicants can seek any clarification regarding the EOI document from the Mr. V Ravi Kumar, Director of Ports, Kakinada – e-mail id: brk.sns@gmail.com or contact number: +91-9700762424
- 1.16.** Particulars: The particulars of the project given in the memorandum are indicative only – subject to change and may be considered only as advance information to assist the applicant.
- 1.17.** Information to be given in required formats:

Applicant should furnish the following:

a) ORGANISATION INFORMATION

Applicant is required to submit the information in respect of his organization as given in Form-B.

b) LIST OF PROJECTS

Applicant is required to submit the list of similar projects successfully completed/ongoing during the last seven years as given in Form-C.

1.18. Letter of Transmittal:

The applicant should submit the letter of transmittal attached with the 'EOI' document as Annexure-I in the company letter head.

1.19. Suggestions:

The applicants may also submit their suggestions and views, if any, that can be considered for the Project, in a separate sheet as in Form-A.

ANNEXURE I

LETTER OF TRANSMITTAL
(to be typed in Applicant's Letterhead)

From:

To:

The Vice Chairman & Managing Director,
Infrastructure Corporation of Andhra Pradesh,
#10-2-1, III Floor, FDC Complex, AC Guards,
Hyderabad – 500 028, India.
Tel: +91-40-2332 1771/2; Fax:+91-40-2332 1773
Email: incap@incap.co.in
Website: www.incap.co.in

Sub: Submission of Expression of Interest (EOI) for Development of Greenfield Port at Bhavanapadu, Srikakulam District, Andhra Pradesh

Sir,

Having examined the details given in EOI Notice and Project Information Memoranda for the above project, I/we hereby submit our Expression of Interest and the relevant information

1. I/We hereby certify that all the statements made in the information supplied in the enclosed form and the accompanying statements are true and correct.
2. I/We have furnished all information and details necessary for EOI and have no further pertinent information to supply.
3. I/We also authorize INCAP or their authorized representatives to approach individuals, employers and firms to verify our competence and general reputation.
4. I/We submit the following certificates in support of our suitability, technical know-how and capability for having successfully developed / constructed Ports along with prescribed format.
5. We understand that INCAP will be at liberty to finalize project parameters and issue global RFQ for the project.

Signature(s) of Applicant(s)

Enclosures

Seal of applicant

Date of submission

FORM A
Salient features / suggestions of the applicants at a glance

S No	Description	Details/ Suggestions
1	Name of firms /Applicants	
2	Experience in Port facilities developed and / or operated and / or maintained	
Suggestions for the development of greenfield port at Bhavanapadu.		

FORM B**Name of Firms/ Applicants****(additional form for each member of the Consortium shall be furnished)**

(Organization structure)

1	Name & Address of the applicant with Telephone No./Fax No.	
2	a) Year of Establishment b) Date & Year of commencement	
3	Legal status of the applicant (attach copies of original document defining the legal status) a) A proprietary firm b) A firm in partnership c) A limited company or Corporation / Joint venture /Consortia d) State owned	
4	Place of Registration and Principal places of business	
5	Name & Title of Directors and key officers to be concerned with the project, with designation of individuals authorized to act for the organization	
6	Copies of last three years Annual Reports	
7	Any other information considered necessary but not included above	

FORM C**Project credentials****(Separate form shall be furnished for each project experience claimed)**

1. Project Name:
2. Location:
3. Name of Client:
4. Brief Description of Project:
5. Current Status of the Project (completed / ongoing / operational)
6. Name of associated Firm(s), if any:
7. Date of – a. Date of award of the Project b. Project Completion Date: c. Commercial Operations Date:
8. Project cost :

Signature(s) of Applicant(s)

Please use separate sheet for each project

ILLUSTRATIVE MAP OF THE SITE LOCATION

