

Selection of the Developer for a Convention Centre at Visakhapatnam in Andhra Pradesh on PPP basis

Response to Queries

S. No	Clause	Description as per RFP	Request/Point for clarification from Bidders	Reply by the Authority
1.	-	Project Information Memorandum	Are the land parcels identified for the Project in Possession of INCAP and unencumbered	The land parcel identified for the project is in the advance possession of Department of Tourism and is unencumbered.
2.	-	Project Information Memorandum	Do we have any market research and demand assessment study available from the perspective of the development components and the built up areas for the respective components. If the copy of the same is made available, it would be useful.	The key results of the market research have been included as a part of Volume 3: Project Information Memorandum.
3.	Clause 1.1.2 of Volume 1: Instructions to Bidder	Concession Period	The concession period of 33 years may not be attractive enough from the revenue generation perspective as certain components typically have long gestation. Hence, we request the authority to increase the concession from 33 years to 60 years.	Clause 1.1.2 of the Request for Proposal Volume 1: Instructions to Bidder remains unchanged.
4.	Clause 5.1.1 (A) (i) of Volume 1: Instructions to Bidder	For demonstrating technical capacity and experience (the “Technical Capacity”), the Bidder shall, over the past 5 financial years preceding the Bid Due Date, have: i) Paid for, or received payments for, construction of Eligible Projects	We assume the same would be under Category 3 and Category 4. Please clarify	It may be noted that the clause refers to technical capacity and experience concerning construction of eligible Projects irrespective of category.

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5.	Appendix B5 and C2 of Volume 1: Instructions to Bidder		<p>In Part B- Formats for Threshold Bid Submission and Part C – Formats for Technical Bid Submission, the format for furnishing the details of the eligible projects are identical which will create duplicity while claiming the project experience</p> <p>We request the same to be addressed appropriately</p>	<p>It is clarified that the information is sought in Part B and Part C separately as mentioned in the RFP.</p>
6.	Clause 5.2.2 of Volume 2: Draft Concession Agreement	The Concessionaire (Individual entity or consortium as a whole), shall ensure that it collectively holds at least 51% of the subscribed and paid up equity of the SPV at all times until the second anniversary of the Commercial Operation of the project.	<p>Post this, the selected Bidder can divest entire shareholding upon intimation to the Authority and the Authority shall not unnecessary withhold the same.</p> <p>Please clarify.</p>	<p>Yes. The collective holding of subscribed and paid-up equity of the SPV shall be as per the Clause 5.2 of the Request for Proposal Volume 2: Draft Concession agreement.</p>
7.	Clause 22.1.1 of Volume 2: Draft Concession Agreement		<p>Since the bid parameter for the captioned project is revenue share, we trust that lease rentals on the land or built up area would not be applicable and the concessionaire shall not be liable for any payments over and above the percentage of revenue share to the Authority.</p> <p>Please clarify</p>	<p>No. The Concessionaire has to pay the lease rentals also. It is clarified that Lease Rental shall be payable as per Clause 22.1 of the Request for Proposal Volume 2: Draft Concession Agreement</p>
8.	Clause 35.1 of Volume 2:	For the purpose of this Agreement, the Concessionaire	This structure may have funding and financing issues and hence suggest for a	It is clarified that hypothecation rights have been provided in favour of Lenders

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	Draft Concession Agreement	shall have rights to use of the site as sole license subject to and in accordance with this Agreement.	modification in the structure so as to have mortgage rights for availing debt funding from the banks/financial institutions	for securing the Financial Assistance provided or agreed to be provided by the Lenders (Please refer clause 21.2.3 of the Request for Proposal Volume 2: Draft Concession Agreement).
9.	Clauses 4.2.1 (g); 5.1.3 (i) and (ii); 5.4.2; Appendix B4 – Instructions 1(b); Appendix B5 – Instructions 12, 13, 14; Appendix C2 – Instructions 24,13, 14 of Volume 1: Instructions to Bidder	Certificates from Statutory Auditor	<p>In most of the projects, the certificates/undertaking, are issued by a Chartered Accountant in lieu of a Statutory Auditor</p> <p>We would request the same be applied for this RFP and documentation thereof.</p>	<p>It is clarified by the Authority that a certificate issued by a Statutory Auditor/Chartered Accountant will be valid. However, this modification will not be applicable for Appendix–B4, where certificate from Statutory Auditor will be mandatory.</p> <p>Refer S. No. 1 of Corrigendum</p>
10.	Schedule G of Volume 2: Draft Concession Agreement	-	<p>The time period for completion of Project Milestone I (Construction of Convention and Exhibition Centre) of 18 months is less and hence request the authority to review and accordingly increase the time period.</p> <p>Also, after the completion of the Project Milestone I, which is the ultimate objective for the Authority as far as this project is concerned, the timelines</p>	<p>An additional time period of 30 months has been granted for a Gross Leasable Area of 100,000 sq. ft.</p> <p>Refer S. No. 2 of Corrigendum.</p>

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			pertaining to construction of the Hotel and the Commercial Complex shall be relaxed and shall be subject to the market demand and absorption capacity	
11.	Clause 1.1.3 point 3 of Volume 1: Instructions to Bidder	<p>Prohibited Activities: Prohibited activities includes but not limited to, use of any built up space for the purposes directly or indirectly, as Residential, Hospital, Warehousing, Car Showrooms, Industrial Activities, Automobile-repair/services/vehicular servicing shops, LPG Godowns, Petrol Bunk, any trade or activity involving any kind of obnoxious, hazardous, inflammable, non-compatible and polluting substance or process</p>	Request to remove Car Showrooms from the list of prohibited activities	Car Showrooms have been removed from the list of Prohibited Activities. Refer S. No. 3 of Corrigendum

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CORRIGENDUM

Notice No. INCAP/Infrastructure projects/116/2015, date: 01:09:2015

Corrigendum No. INCAP/Convention centre/100/1(VSPM)/2015/1, dated:30:09:2015				
S. No	Clause	Description as per RFP – Original Clause	Request/Point for clarification from Bidders	Amendments / Modifications / Addendum
1.	Clauses 4.2.1 (g); 5.1.3 (i) and (ii); 5.4.2; Appendix B4 – Instructions 1(b); Appendix B5 – Instructions 12, 13, 14; Appendix C2 – Instructions 24,13, 14 of Volume 1: Instructions to Bidder	Certificates from Statutory Auditor	In most of the projects, the certificates/undertaking, are issued by a Chartered Accountant in lieu of a Statutory Auditor We would request the same be applied for this RFP and documentation thereof.	A certificate issued by a Statutory Auditor/Chartered Accountant will be valid. However, this modification will not be applicable for Appendix–B4, where certificate from Statutory Auditor will be mandatory.
2.	Schedule G of Volume 2: Draft Concession Agreement	Points 4, 5 and 6 of Schedule G: Project Milestone-III 4.1 Project Milestone-III shall occur at completion of 30 (thirty) months from the Appointed Date (the	The time period for completion of Project Milestone I (Construction of Convention and Exhibition Centre) of 18 months is less and hence request the authority to	Points 4, 5 and 6 of Schedule G are modified as below – 4 Project Milestone-III 4.1 Project Milestone-III shall occur at completion of 30 (thirty) months from the

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		<p>“Project Milestone-III”). 4.2 Prior to the occurrence of Project Milestone-III, the Concessionaire shall have completed the construction of the Commercial Plaza and the same shall be verified by the Independent Engineer. 5 Scheduled Completion Date 5.1 The Scheduled Completion Date shall be 30 (thirty) months from the Appointed Date. 5.2 On or before the Scheduled Completion Date, the Concessionaire shall have completed the Project in accordance with this Agreement. 6 Extension of period Upon extension of any or all of the aforesaid Project Milestones or the Scheduled Completion Date, as the case may be, under and in accordance with the provisions of this Agreement, the Project Completion Schedule shall be deemed to have been amended accordingly.</p>	<p>review and accordingly increase the time period.</p> <p>Also, after the completion of the Project Milestone I, which is the ultimate objective for the Authority as far as this project is concerned, the timelines pertaining to construction of the Hotel and the Commercial Complex shall be relaxed and shall be subject to the market demand and absorption capacity</p>	<p>Appointed Date (the “Project Milestone-III”). 4.2 Prior to the occurrence of Project Milestone-III, the Concessionaire shall have completed the construction of 100,000 sq. ft of Gross Leasable Area of the Commercial Complex and the same shall be verified by the Independent Engineer. 5 Project Milestone-IV 5.1 Project Milestone-IV shall occur at completion of 60 (sixty) months from the Appointed Date (the “Project Milestone-IV”). 5.2 Prior to the occurrence of Project Milestone-IV, the Concessionaire shall have completed the construction of total 200,000 sq. ft of Gross Leasable Area of the Commercial Complex and the same shall be verified by the Independent Engineer. 6 Scheduled Completion Date 6.1 The Scheduled Completion Date shall be 60 (sixty) months from the Appointed Date. 6.2 On or before the Scheduled Completion Date, the Concessionaire shall have completed the Project in accordance with this Agreement.</p>

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				<p>7 Extension of period</p> <p>Upon extension of any or all of the aforesaid Project Milestones or the Scheduled Completion Date, as the case may be, under and in accordance with the provisions of this Agreement, the Project Completion Schedule shall be deemed to have been amended accordingly.</p>
3.	<p>Clause 1.1.3 point 3 of Volume 1: Instructions to Bidder</p>	<p>Prohibited Activities: Prohibited activities includes but not limited to, use of any built up space for the purposes directly or indirectly, as Residential, Hospital, Warehousing, Car Showrooms, Industrial Activities, Automobile-repair/services/vehicular servicing shops, LPG Godowns, Petrol Bunk, any trade or activity involving any kind of obnoxious, hazardous, inflammable, non-compatible and polluting substance or process</p>	<p>Request to remove Car Showrooms from the list of prohibited activities</p>	<p>Prohibited Activities: Prohibited activities includes but not limited to, use of any built up space for the purposes directly or indirectly, as Residential, Hospital, Warehousing, Industrial Activities, Automobile-repair/services/vehicular servicing shops, LPG Godowns, Petrol Bunk, any trade or activity involving any kind of obnoxious, hazardous, inflammable, non-compatible and polluting substance or process.</p>
4.	<p>Clause 5.1.4 (vii) of Volume 2: Draft Concession Agreement</p>	<p>The Concessionaire to prepare the Drawings and the Detailed Project Report as per the Schematic Design which may be provided by the Authority as a part of the Bidding Process. However, with the prior approval of</p>		<p>The Concessionaire to prepare the Drawings and the Detailed Project Report and should undertake the construction work as per the Schematic Design appended in Annexure I and the Development Guidelines appended in Annexure II. However, with the prior approval of the</p>

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		the Authority the Concessionaire can make modifications to the Schematic Design based on need/justification.		Authority the Concessionaire can make modifications to the Schematic Design based on need/justification.
5.	Clause 40.1 “Subsistence Revenue” of Volume 2: Draft Concession Agreement	“Subsistence Revenue” means the total amount of Fee revenue that is required by the Concessionaire in an Accounting Year to meet the sum of (a) O&M Expenses, subject to an annual ceiling of 3% (three per cent) of the Total Project Cost, during the first Accounting Year after COD, to be revised for each subsequent year to reflect the variations in WPI occurring between COD and commencement of such Accounting Year, and (b) Debt Service in such Accounting Year, but excluding any interest paid by the Authority under Clause 27.7.2 or 28.2		Definition is deleted
6.	Clause 22.2.4 of Volume 2: Draft Concession Agreement	The Concessionaire shall provide Bank Guarantee (BG) against the Revenue Share payable which shall be equivalent to the Revenue Share quoted for 7th year of the Concession Period. The BG shall be provided within 10 days before release of Construction Performance Security and shall be valid till end of 7th year of Agreement. Thereafter,		The Concessionaire shall provide Bank Guarantee (BG) against the Revenue Share payable which shall be equivalent to the Revenue Share quoted for 7th year of the Concession Period. The BG shall be provided prior to the COD and shall be valid till end of 7th year of Agreement. Thereafter, the Concessionaire shall upgrade the BG once in every three years with increased amounts equivalent to

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S. No	Clause	Description as per RFP – Original Clause	Request/Point for clarification from Bidders	Amendments / Modifications / Addendum
		the Concessionaire shall upgrade the BG once in every three years with increased amounts equivalent to Revenue Share quoted for 10th, 13th, 16th, 19th, 21st, 23nd, 26th, 29th and 31st year of the Concession Period. The validity of each BG shall be for 3 (three) years. However, the validity of the BG submitted in 31st year of Agreement shall be till the end of the Concession Period.		Revenue Share quoted for 10th, 13th, 16th, 19th, 21st, 23nd, 26th, 29th and 31st year of the Concession Period. The validity of each BG shall be for 3 (three) years. However, the validity of the BG submitted in 31st year of Agreement shall be till the end of the Concession Period.
7.	Clause 22.1.3 of Volume 2: Draft Concession Agreement	An amount of Rs. 265,000 (Rupees Two lakh sixty five thousand) equivalent to the first six months Lease Rental (computed on the basis of the Lease Rental payable in the first year of Concession) of the Concession Period, has been deposited by the Selected Bidder/ Concessionaire, with the Authority prior to the date of signing this Agreement, as an interest free security deposit.		An amount equivalent to the first six months Lease Rental (computed on the basis of the Lease Rental payable in the first year of Concession) of the Concession Period, shall be deposited by the Selected Bidder/ Concessionaire, with the Authority prior to the date of signing this Agreement, as an interest free security deposit.
8.	Clause 5.1.1 (A) (b) of Volume 1: Instructions to Bidder	The sum total of the payments/ receipts from Category 1/Category 3 projects exceed Rs. 190 crores (Rs. Two hundred crores)		The sum total of the payments/receipts from Category 1/Category 3 projects exceeds Rs. 190 crores (Rs. One hundred and ninety crores)

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9.	Schedule S, point 11 of Volume 2: Draft Concession Agreement	<p>The Concessionaire may assign its rights, or interest or create a Security Interest in respect of its rights under this Agreement or any part thereof, including right, and interest under this Agreement, in and to the Project Assets (excluding the Project Site or any part thereof and the rights relating thereto), and its right to receive User Fees in favour of Lenders for securing the Financial Assistance provided or agreed to be provided by the Lenders under the Financing Documents; provided that any such assignment or Security Interest shall be consistent with the provisions hereof and the lender are made aware of the same. For the avoidance of doubt the Concessionaire shall not have the right and authority to mortgage, encumber or create, permit or allow the subsistence of any Security Interest whatsoever on the Project Site or any part thereof, in favour of the Lenders or any person in any form, manner, device or method</p>		<p>Subject to the provisions of Article 33, the Concessionaire may assign its rights, or interest or create a Security Interest in respect of its rights under this Agreement or any part thereof, including right, and interest under this Agreement, in and also to the Project Assets including hypothecation rights (excluding the Project Site or any part thereof and the rights relating thereto), and its right to receive User Fees in favour of Lenders for securing the Financial Assistance provided or agreed to be provided by the Lenders under the Financing Documents; provided that any such assignment or Security Interest shall be consistent with the provisions hereof and the lender are made aware of the same. For the avoidance of doubt the Concessionaire shall not have the right and authority to mortgage, encumber or create, permit or allow the subsistence of any Security Interest whatsoever on the Project Site or any part thereof, in favour of the Lenders or any person in any form, manner, device or method</p>