

Pre-Bid queries and recommendations / responses for the Pre-Bid meetings held on 21.09.2015 & 20.01.2016 for “Selection of Private Sector Player for development of Convention & Exhibition Centre, Mohali on DBFOT basis”

S.no.	Subject of the Query / Original Clause	Query	Final Response / Revised Clause				
1.	Concession Period	<p>a) The Concession Period as mentioned in the RFP is 50 Years, which is inclusive of the implementation /Construction period of 3 years. Is there any scope of increasing the Concession Period beyond 50 years?</p> <p>b) Concession Period (Lease period) has been indicated as 50 yrs. as per the IM. Concession Period (Lease period) be raised to 90 yrs. as is usually offered.</p> <p>c) The lease time-line should be increased to 99 years as what is available in other parts of the country. If there can be a provision of extension of lease thereafter.</p> <p>d) The Concession period mentioned in the Concession Agreement (including the Implementation Period) is 50 years. Can the Concession period be extended to 99 years?</p>	The Concession Period for the project would be 75 years				
2.	<p>As per the RFP, the proposed project configuration is:</p> <table border="1" data-bbox="277 1312 810 1414"> <thead> <tr> <th>Component</th> <th>Requirement</th> </tr> </thead> <tbody> <tr> <td>Convention Centre</td> <td>Min. 100,000 - 120,000 sq ft of FSI</td> </tr> </tbody> </table>	Component	Requirement	Convention Centre	Min. 100,000 - 120,000 sq ft of FSI	<p>a) As indicated in the IM, the size and the other support facilities requirements for 4000 pax seems too large. Suggest that the facility and other support infrastructure be reduced to cater to around 2000 pax.</p> <p>a) Is the retail of maximum 10% of Hospitality FSI is inclusive of the commercial spaces like</p>	<p>The plenary hall of the Convention Centre should be of minimum 2,500 pax capacity</p> <p>Commercial office spaces / retail areas are limited to 10% of the Hospitality FSI /</p>
Component	Requirement						
Convention Centre	Min. 100,000 - 120,000 sq ft of FSI						

	Hotel / Hospitality District	Hotel – min 200 keys (3 star or above) Retail – Max. 10% of Hospitality FSI (as per GMADA)	offices? b) Retail element to be increased to at-least 20%.	area and should be part of the Integrated Hospitality Complex.
	Total Area	12 acres	a) Can the Ground Coverage be more than as mentioned in RFP i.e. 40%?	FSI of 2 & Ground Coverage of 40% would be applicable on the entire project. However, the maximum FSI allowed on the Hotel & Residential components would be 3, as per GMADA norms Any other incentives as applicable under the Mega Hotel Policy can be sought by the Successful Bidder
	FSI Applicable	2	b) Project incentives: <ul style="list-style-type: none"> • Higher FAR of 4x & Ground coverage (min. 50% or more) • Power tariff @ Industrial rate Rs. 4.99/unit • Luxury Tax & VAT exemptions for 10 years • Other Incentives as applicable under Mega Project scheme to be made applicable 	
	Ground Coverage	40%	a) Is Residential Component not included in the project? b) Some Residential Component should be allowed in the project in order to make the project viable. c) The major query which we have is the inclusion of the residential component for sale to be available to us so as to make the project more viable. d) Out of the total land parcel, a 2.5 to 3-acre land parcel be earmarked as Free-hold and allowed for development of around 25-50 Upmarket Residential units. The successful bidder be allowed to sell these units to part	

		finance the facilities envisaged to be created under the project.	
		a) IM indicates minimum 200 hotel keys (3 star and above). Suggest the Hotel should be a minimum 4 star with 150 keys	Hotel / Hospitality District – Min. 150 keys (4 star or above) to be made
3.	Relaxation In The Eligibility Criteria	<p>a) BHS owns XYZ hotel in New Delhi with a built up area of less than 100,000 sq feet and manages it under the Joint venture of ABC.</p> <p>b) In addition, we have a hotel slated to open in Aerocity called XYZD2 hotel with 1,75,000 Sqft of built up area. Again this is owned by another sister concern and managed by the above-mentioned Joint venture company.</p> <p>c) Our net worth of our holding company of both above owning companies would be about 150 crores. In these conditions, is it possible for us to bid?</p>	<p>Projects in the which Building completion certificate has been received would be considered for the evaluation of Technical Criteria</p> <p>No change in Net worth Criteria</p>
4.	Bid Variable	<p>IM indicates Up-front Fee of Rs. 30 crs + Annual Concession Fee as the bid variable.</p> <p>We believe that no Up-front Fee should be charged. Also the Annual Concession Fee should be @ %age linked to turnover. Such fee shall be applicable from the commencement of commercial operations.</p>	<p>The bidding parameter is revised to Revenue Share with minimum guarantee. The Revenue Share would be applicable on all Gross Revenues from the project apart from the Residential Component</p> <p>Revenue Share (% of revenues) would be quoted by the bidder as the bid variable. The project would be awarded to the bidder quoting highest revenue share.</p> <p>Additionally, Minimum Guarantee of INR 7.5 Crore per year would be paid by the Successful Bidder. The minimum Guarantee shall be increased by 10%</p>

			<p>every 3 years.</p> <p>To clarify, the Successful bidder would pay to the Authority the quoted Revenue Share or Minimum Guarantee of INR 7.5 crore per year, whichever is higher. The first Revenue Share / Minimum Guarantee would be payable four and half (4.5) years from the Letter of Award or on the Commercial Operations Date (COD), whichever is earlier.</p>
5.	Reduction of the amount of the Upfront Concession Fee	As per the Concession Agreement, Article 26: Concession Fee, subsection 26.1 the Upfront Concession Fee is INR 30 Crores (Rupees Thirty Crores). Can this Upfront Concession Fee be reduced to INR 20 crores (Rupees Twenty Crores) considering the high initial investment required for the project?	No change. Upfront Concession Fee would be INR 30 crores.
6.	Payment of Annual Concession Fee	As per the Concession Agreement, Article 26: Concession Fee, subsection 26.2.5 Concession Fee, the Annual Concession Fee (ACF) is to be paid to the Concessioneing Authority from the first anniversary of the Compliance Date on annual basis. Since the initial investment required is high, can the Annual Concession Fee (ACF) be made payable from the 'Commercial Operation Date' (COD)?	The first Revenue Share / Minimum Guarantee would be payable four and half (4.5) years from the Letter of Award or on the Commercial Operations Date (COD), whichever is earlier.
7.	Implementation Period	<p>a) Can the period of implementation be made 3 years from the date of approval of plans by GMADA rather than 3 years from the Date of Compliance currently?</p> <p>b) IM indicates 3 yrs. from the Compliance Date. Should be minimum 4 years from the date of getting all project approvals.</p>	The implementation period for the project would be four (4) years from the Letter of Award. To clarify, the minimum proposed project configuration of Convention Center & Hospitality District should be completed within 4 years from the Letter of Award.
8.	Formation of SPV	Formation of an SPV for the project may not be possible and hence should be optional.	Separate SPV has to be made for the project, as mentioned in the RFP

9.	Performance Security	IM indicates a Performance Security of Rs. 20 crs to be payable by the Successful Bidder. This stipulation needs to be deleted as the successful bidder would be making a substantial investment in the project and would be making all efforts to ensure that the facilities become operational ASAP and start yielding revenues.	<p>The Performance Security during the implementation period shall remain as INR 20 crores.</p> <p>Subsequently, during the operations period, the Operations Performance Security shall be INR 7.5 crore.</p> <p>The Operations Performance Security shall be increased by 10% every 3 years.</p>
10.	Bid EMD	IM stipulates Rs. 5 crs towards Bid Security. It should be reduced to a maximum of Rs. 1 cr.	Bid Security shall remain at INR 5 crore
11.	Project Development fee	IM stipulates Rs. 50 Lakhs towards Project Development Fee. It should be waived off.	The Successful Bidder shall pay INR 50 lakhs as Project Development Fee to PIDB, as mentioned in the RFP
12.	Bid submission	As advised in the meeting – 24/02/2016 for Online Submissions and 26/02/2016 for submission of Physical Bid (Hard Copy). The Bidder should get a minimum of 60 days after all the clarifications are issued by the Authorities. The bidder would need to seek appropriate clearances/approvals from its BOD for the bidding.	<p>The Bid Submission Date has been revised as follows:</p> <p>Online Submission – 22/03/2016 (12:00 pm)</p> <p>Hardcopy Submission – 22/03/2016 (04:00 pm)</p>