

DEVELOPMENT OF PINKCASSIA TOURIST COMPLEX AT ROPAR UNDER PPP FORMAT

Clarifications to the Queries from prospective bidders

ADDENDUM-1 to RFP Document

Sr. No.	Queries	Clarification
1.	Please provide the Zoning Plan and exact site plan.	<p>Zoning Plan of the Project Site (as part of Schedule 1 of Section III of the RFP Document) is enclosed as Annexure-A. The total land area for the Project Site is 8.62 acres (approx.) wherein the area of Portion A of the Project Site is 1.34 acres (approx.).</p> <p>The use of Portion-A of the Project Site shown in Zoning Plan (attached as Annexure-A) shall be subject to following conditions :</p> <ul style="list-style-type: none">➤ No permanent construction of any kind shall be raised on Portion A of the Project Site➤ In case of construction / repair of water Head Works, Concessioneing Authority/Department of Irrigation shall have the right to use Portion A of the Project Site for repair of Headworks gates or storage of material etc. The Concessionaire shall not have any claim on account of any type of damage to the landscaping or other facilities provided on this land. However, the Concessionaire shall be given appropriate prior notice for any such activity and duration thereof.➤ The Development on Portion A of the Project Site shall be carried out keeping the safety of Ropar Head Works in view.
2.	Please specify the water sports activities in terms of Shikara, Boating, Boat Restaurant, etc. that would be allowed in the water body abutting the Pinkcassia Tourist Complex.	Presently the paddle boats are being run at the water body abutting Pinkcassia Tourist Complex. However, the Concessionaire shall take necessary permissions from the Competent Authority/ies for any other activity in terms of Shikara, Boat Restaurant, etc.

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3.	The Construction Period should be increased from 18 to 24 months.	The Construction Period for the project will be 24 months.
4.	Does BBMB have any control over the Project?	No
5.	Whether the selected bidder will be allowed to construct pedestrian bridge to connect main Pinkcassia Complex and Portion A of the Project Site across Log Channel.	There is no objection in construction of additional bridge on Log channel provided the drawings are got approved from the Concessing Authority. The Concessionaire shall have to remodel the bridge at his own cost whenever the remodeling of Log channel is carried out by Irrigation Department. The bridge shall be pedestrian bridge and no vehicular traffic shall be allowed.
6.	It has been observed that there are many trees on the Project Site. This site area may be required for construction purposed to develop star facility.	The trees may be cut but with the prior approval from the Competent Authority (Please refer to the enclosed Zoning Plan as Annexure - A).
7.	Whether the present electric and water connection will be made available to the Concessionaire?	The present electric and water connection shall be extended to the Concessionaire. However, the Concessionaire would be responsible to pay all charges / bills to service provider during the entire Concession Period. Any charges for enhancement / upgradation in the capacity of these services shall also be borne by the Concessionaire.
8.	Whether the 15% increase in Annual Concession Fee is twice in 6 years? Kindly clarify.	<p>The 15% increase in Annual Concession Fee (ACF) shall be once in 6 years. The first Annual Concession fee shall be due and payable within 15 days of Project Construction Completion date.</p> <p><i>For Illustration, if the Project Construction Completion Date is 30th March 2011, then the first ACF would be due by 15th April 2011. The Concessionaire would be liable to pay the same Annual Concession Fee in the years 2011, 2012 and 2013. Subsequently, the Annual Concession Fee liable to be paid by 15th April 2014 would be increased by 15%, over the previous Annual Concession Fee. This would remain same in the years 2015 and 2016.</i></p>

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		<i>Pursuant to that, for the rest of the Concession period, the Annual Concession Fee shall be increased by 10% after every three years, over the previous Annual Concession Fee.</i>
9.	Whether the present Bar License will be made available to the Concessionaire?	The Concessionaire shall have to apply fresh license in his own name.
10.	<p>Article 6.2 (f) (II) of the draft Concession Agreement - <i>“Upon Termination of this Agreement on account of Concessionaire Event of Default, after the Project Construction Completion Date and during the Operation & Maintenance Period, the Concessioneing Authority shall pay an amount which shall be equivalent to 80% of Book Value (net of Land & Movable Assets) for the Project Facilities, as per Audited Annual Financial Statements and forfeit the O&M Performance Security. The Concessioneing Authority shall have the discretionary right to get the same verified by the Independent Auditor. In consequence to this, the Concessionaire shall hand over physical, vacant, unencumbered possession of the Project Site / Project Facilities to the Concessioneing Authority. The Concessionaire shall also pay any balance (outstanding) up-to-date Annual Concession Fee, payable by the Concessionaire to the Concessioneing Authority.”</i></p>	<p>Article 6.2 (f) (II) of the draft Concession Agreement to be read as under - <i>“Upon Termination of this Agreement on account of Concessionaire Event of Default, after the Project Construction Completion Date and during the Operation & Maintenance Period, the Concessioneing Authority shall pay an amount which shall be equivalent to 80% of Book Value (net of Land & Movable Assets) for the Project Facilities created by the Concessionaire, as per Audited Annual Financial Statements and forfeit the O&M Performance Security. The Concessioneing Authority shall have the discretionary right to get the same verified by the Independent Auditor. In consequence to this, the Concessionaire shall hand over physical, vacant, unencumbered possession of the Project Site / Project Facilities to the Concessioneing Authority. The Concessionaire shall also pay any balance (outstanding) up-to-date Annual Concession Fee, payable by the Concessionaire to the Concessioneing Authority.”</i></p>
11.	<p>Article 6.2. (f) (III) of the draft Concession Agreement -</p>	<p>Article 6.2. (f) (III) of the draft Concession Agreement to be read as under -</p>

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	<p><i>“Upon Termination of this Agreement on account of Concessioneing Authority Event of Default, Concessionaire shall be entitled to seek Termination Payment, a sum equal to the ‘Fair Market Value’ (net of Land & Movable Assets) of the Project Facilities/ Project and refund of Performance Security.”</i></p>	<p><i>“Upon Termination of this Agreement on account of Concessioneing Authority Event of Default, Concessionaire shall be entitled to seek Termination Payment, a sum equal to the ‘Fair Market Value’ (net of Land & Movable Assets) for the Project Facilities /Project created by the Concessionaire and refund of Performance Security.”</i></p>
12.	<p>Article 2.7(c) of the draft Concession Agreement - <i>“In case of successful conclusion of such negotiations regarding extension, the Concessionaire shall file a formal application for the extension of the term of this Agreement and the Lease with the Concessioneing Authority, not later than 180 days prior to the expiry of such Concession Period/ Lease Period. Concessioneing Authority on the basis of successfully concluded negotiations, would extend the term of the Agreement and Lease for a further period of 30 (Thirty) years. In such a condition, wherein the Concession Period is extended to a total of 90 (Ninety) years, on the expiry of such 90 (Ninety) years Concession Period, the Concessioneing Authority shall pay to the Concessionaire, the Book Value (net of Land & Movable Assets) for the Project Facilities as per Audited Annual Financial Statements. The Concessioneing Authority shall have the discretionary right to get the same verified by the Independent Auditor.”</i></p>	<p>Article 2.7(c) of the draft Concession Agreement to be read as under- <i>“In case of successful conclusion of such negotiations regarding extension, the Concessionaire shall file a formal application for the extension of the term of this Agreement and the Lease with the Concessioneing Authority, not later than 180 days prior to the expiry of such Concession Period/ Lease Period. Concessioneing Authority on the basis of successfully concluded negotiations, would extend the term of the Agreement and Lease for a further period of 30 (Thirty) years. In such a condition, wherein the Concession Period is extended to a total of 90 (Ninety) years, on the expiry of such 90 (Ninety) years Concession Period, the Concessioneing Authority shall pay to the Concessionaire, the Book Value (net of Land & Movable Assets) for the Project Facilities, created by the Concessionaire, as per Audited Annual Financial Statements. The Concessioneing Authority shall have the discretionary right to get the same verified by the Independent Auditor.”</i></p>

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13.	<p>Article 2.7(d) of the draft Concession Agreement- <i>In case the negotiations are not successfully concluded and / or the Concessionaire does not file any formal application for the grant of any extension of the term of this Agreement and the Lease, on negotiated terms acceptable to the Concessioning Authority, not later than 180 days prior to the expiry of initial lease period of 60 (Sixty) years, this Agreement shall stand terminated. In such a condition, wherein the Concession Period is not extended, on the expiry of the 60 (Sixty) years Concession Period, the Concessioning Authority shall pay to the Concessionaire, the Fair Market Value (net of Land and Movable Assets) for the Project as determined by the Independent Auditor/ Valuer.</i></p>	<p>Article 2.7(d) of the draft Concession Agreement to be read as under - <i>"In case the negotiations are not successfully concluded and / or the Concessionaire does not file any formal application for the grant of any extension of the term of this Agreement and the Lease, on negotiated terms acceptable to Concessioning Authority, not later than 180 days prior to the expiry of initial lease period of 60 (Sixty) years, this Agreement shall stand terminated. In such a condition, wherein the Concession Period is not extended, on the expiry of the 60 (Sixty) years Concession Period, the Concessioning Authority shall pay to the Concessionaire, the Fair Market Value (net of Land and Movable Assets) for the Project/ Project Facilities created by the Concessionaire, as determined by the Independent Auditor/ Valuer."</i></p>
14.	<p>Article 5.4(d) of the draft Concession Agreement- Termination Payment in case of Termination due to Force Majeure Event <i>"Upon Termination of this Agreement due to a Political Force Majeure Event, Concessionaire shall be entitled to receive Fair Market Value (net of Land and Movable Assets) of the Project Facilities and refund of Performance Security. However, upon Termination of this Agreement due to a Non-Political Force Majeure Event, the Concessionaire shall be entitled to receive and</i></p>	<p>Article 5.4(d) of the draft Concession Agreement to be read as under- Termination Payment in case of Termination due to Force Majeure Event <i>"Upon Termination of this Agreement due to a Political Force Majeure Event, Concessionaire shall be entitled to receive Fair Market Value (net of Land and Movable Assets) of the Project Facilities created by the Concessionaire and refund of Performance Security. However, upon Termination of this Agreement due to a Non-Political Force Majeure Event, the Concessionaire shall be entitled to receive and appropriate the proceeds of any amounts under insurance policies. Performance Security, if subsisting, shall be released."</i></p>

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	<i>appropriate the proceeds of any amounts under insurance policies. Performance Security, if subsisting, shall be released."</i>	
12	As per the RFP of Pinkcassia Tourist Complex, the Concessionaire can assign its rights and interests in project assets (other than the project site) to lenders. However, in our opinion, this does not provide adequate comfort to lenders. In addition, there is no substitution clause which provides comfort to lenders in case of default on the part of Concessionaire.	Refer Article 9 of the draft Concession Agreement and Schedule 5.
14	Another existing bridge near Govt. Store, being locked permanently by the Irrigation Department should be opened so that visitors can access other side freely.	This bridge (<i>near Govt. Store</i>) can be opened for Pedestrian Use only. No vehicular movement would be allowed on this bridge.
15		<p>New Clause to be added:</p> <p>Article 2.4(b)(iii) of the draft Concession Agreement: <i>"Conducted an inspection alongwith the Concessionaire and prepared a detailed inventory of the facilities being provided to the Concessionaire."</i></p>
