

DEVELOPMENT OF FIVE & THREE STAR HOTELS AT AMRITSAR UNDER PPP FORMAT

Clarifications to the Queries from prospective bidders

ADDENDUM-1

Sr. No.	Reference	Queries	Clarification
1.	RFP (Section-II)- Article 2.9.1 (Annual Concession Fee and Revenue Sharing)	The increase in the Annual Concession Fee should be by 15% after every 5 years instead of 3 years as it is proposed now. If you want to increase it every 3 years then you should do it only by 10%.	Annual Concession Fee shall be increased at the rate of 10% after every 3 years, over the previous Annual Concession Fee.
2.	Concession Agreement (Schedule 1) of the RFP document	In Schedule 1 Point 5 states that –“shape of the buildings as well as civic space (in site no C3) shall be as per the plan documents suggested by M/s Jurong International, Singapore.” We would like to propose a change in this condition, we suggest the condition read as follows- “the shape of the building as well as civic space (in site no C3) will take into account the master plan designed and suggested by Jurong International, Singapore respecting the overall architectural design intent of the master plan.”	It is being clarified here that the design of the Project Hotel should gel with the Concept Plan of the New City Centre, Amritsar as provided in Schedule 1.
3.	Concession Agreement (Schedule 4- draft Lease Deed) of the RFP	In the Schedule 4 of the draft Concession Agreement which is the draft of Lease Agreement, there are two points which conflict with the Concession Agreement: i. Recital A which refers to who the	i. Recital A of the draft Project Site Lease Deed shall be read as under: <i>“Punjab Urban Planning and Development Authority (hereinafter referred to as the “Concessions Authority” or “PUDA” or the “Lessor”) has vide the Concession Agreement</i>

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	document	<p>various parties are to the agreement not in concurrence with the parties defined in the concession agreement</p> <p>ii. Article 9 of the Lease Deed is in direct conflict with Article 11.1 c of the concession agreement</p>	<p><i>dated _____ (hereinafter "Concession Agreement") entered amongst the Punjab Urban Planning and Development Authority (hereinafter referred to as the "PUDA"), _____ (hereinafter referred to as the "Concessionaire" or the "Lessee") and the Punjab Infrastructure Development Board ("PIDB" or "Confirming Party") granted Concession to _____ to plan, design, finance, construct, develop, operate and maintain a Five Star Hotel (Plot No C3) on Outer Circular Road, Basant Avenue at Amritsar, Punjab (hereinafter referred to as the "Project") on a Design, Build, Operate and Transfer (DBOT) basis and to determine, levy, demand, collect, retain and appropriate Tariffs and Fees from the Users of the Project Facility."</i></p> <p>ii. Article 9 of the draft Project Site Lease Deed shall be read as follows:</p> <p><i>"The Parties hereby agree that the Lessee shall not mortgage, transfer, assign or otherwise encumber the Demised Premises and/or any or all of its rights and interest in relation thereto in the form of lease, sub-lease, license, right-of-way or otherwise create a security interest thereon in favour of the Lenders for the purpose of enabling Financing of the Project and for securing finances for permitted activities or purposes under the Concession Agreement. However, for the purposes of enabling financing of the Project, the Lessee shall have the right to mortgage, transfer, assign etc its rights, in favour of Senior Lenders, as per the provisions of the Concession Agreement"</i></p>
4.	RFP (Section-II)- Article 2.8 (Project Milestones)	The Construction Period should be increased from 30 to 36 months.	The Concessionaire shall be required to complete the construction and development of the Project Hotel/ Project Facility within a period of 36 months (or earlier) from the Compliance Date.

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5.	RFP (Section-II)- Article 2.9.1 (Annual Concession Fee and Revenue Sharing)	As per the RFP document, Annual Concession Fee shall be increased at the rate of 15% after every 3 years, over the previous Annual Concession Fee. Instead of this, the Annual Concession Fee should increase at the rate of 15% after every 5 years.	Refer point no. 1.
6.	Schedule 8 (draft Concession Agreement of the RFP document)	Enhancement of the O&M Performance Security should be at the rate of 10% after every 5 years instead of 25% after every 5 years.	The O&M Performance Security shall be increased at the rate of 10% after every 3 years, over previous O&M Performance Security.
7.	RFP (Section II)- Article 3.6(c) (Minimum Equity Requirement)	There should not be any requirement of any prior approval from PIDB regarding the change in the equity components of the bidder. Only information should be given to PIDB by the bidder.	<p>Article 3.6 (c) of draft Concession Agreement to be read as follows:</p> <p><i>"The Consortium Members or any of the Associates shall have the right to change the Equity Components / shareholding patterns, however the information of the same shall be mandatorily provided to PIDB/PUDA. However, no such change in the Equity Components / shareholding pattern shall be permitted by PIDB/PUDA, which would make the Consortium Members or Associates or the Concessionaire non-compliant with Articles 8.2(a) and 8.2(b) above and same shall be construed as Concessionaire Event of Default."</i></p>
8.		Last date of bidding may be postponed to 16 th May 2009	The last date for the submission of the RFP document has been extended to 17-04-2009 no later than 1600 hrs.