

Pre-Bid Presentation

Development of International Convention cum Exhibition Center and Five Star Hotel, Mohali

Punjab Infrastructure Development Board
&
Greater Mohali Area Development Authority

November 23,2010



Content of Presentation

- Background
- Bidding Process
- Eligibility Criteria
- Proposal Requirements
- Scope of Work for Concessionaire
- Key Features of RFP



Background

- ❑ The Greater Mohali Area Development Authority (GMADA) proposes to develop a “International Convention & Exhibition Centre cum Five Star Hotel” on a piece of land located at City Centre, sector Mohali. GMADA through Punjab Infrastructure Development Board (PIDB) is keen for attracting private sector investments for development of the Project under an appropriate Public Private Partnership (PPP) model.
- ❑ Punjab Infrastructure Development Board is the facilitator for implementation of the project.
- ❑ IL&FS Infrastructure Development Corporation Ltd (IL&FS IDC) is the Project Development Advisor to Govt. of Punjab to undertake Project Development activities for successful implementation of the project, including selection of private sector participant.

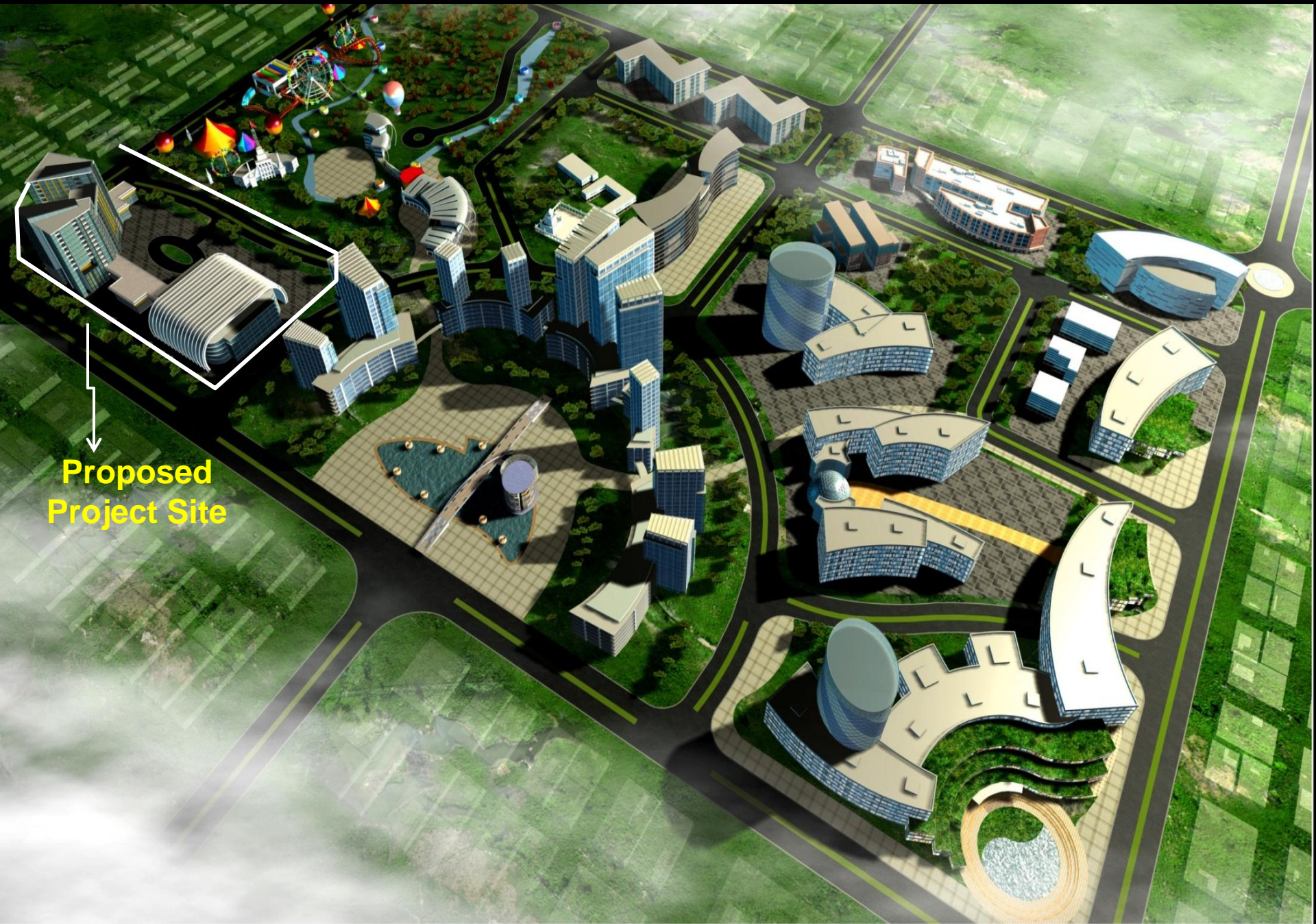


The Project – Key Attractions

- **Location:** The site is located in Central Business District (CBD) of Mohali; and right at the entrance of Mohali, when approached from Chandigarh.
- **Property value:** at approx Rs. 300 Crore for 10 acre, this will come to the private sector participant on nominal lease (about Re 1/- per acre, subject to finalization by government)
- **Master Plan:** for Mohali and CBD has been prepared by an international consultant and has already been finalized. CBD, spread over 260 acres.
- **No Upfront Premium:** is envisaged in the project which reduces the initial exposure of bidder
- **Chandigarh International Airport:** the site shall be connected with 60 mt wide road providing direct access to the proposed International Airport
- **Considerable size advantage:** The site proposed for the hotel is 10 acre, no other hotel in the region whether operation or proposed have such a huge area.

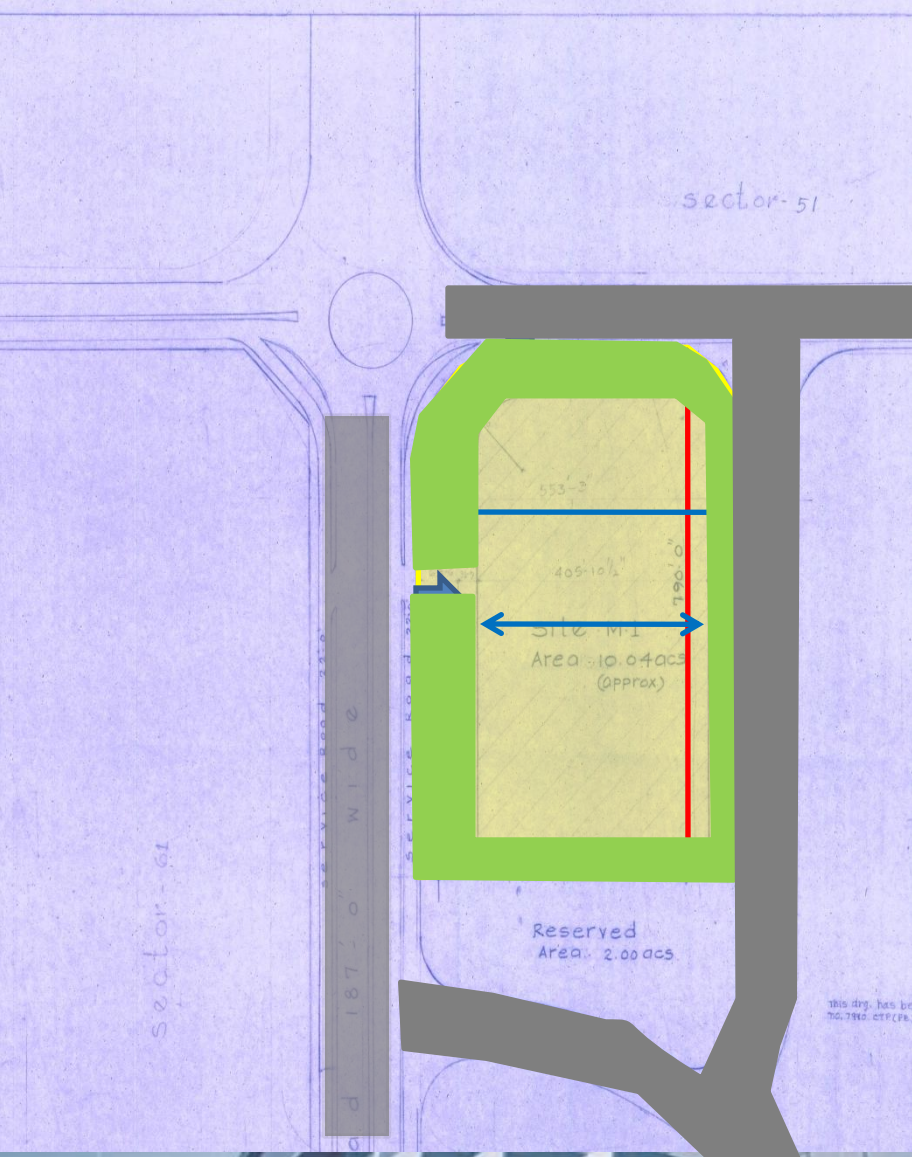


City Centre, Sector 62, Envisaged as Central Business District CBD



**Proposed
Project Site**

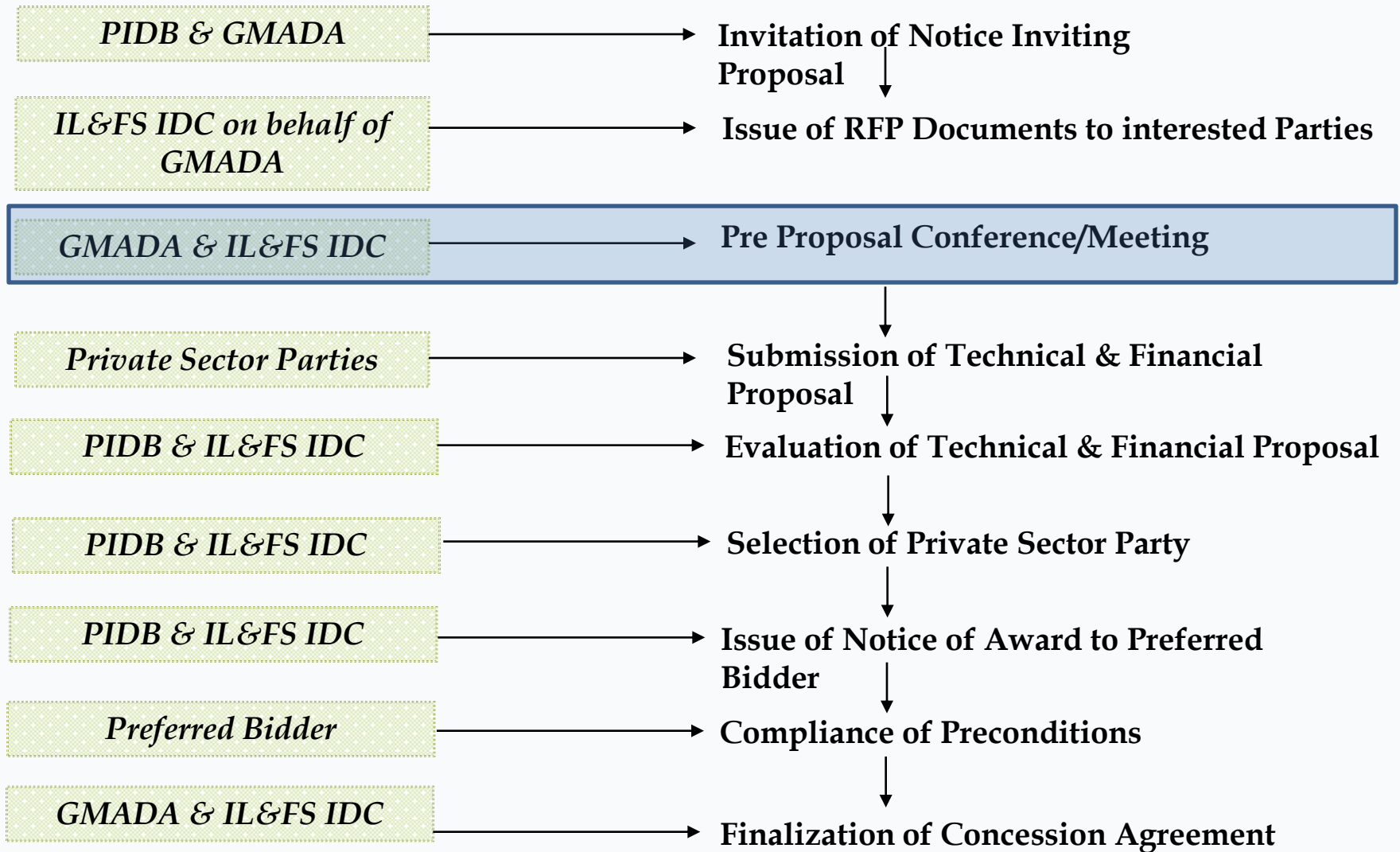
Zoning Plan of the Site



1. Site area: 10.04 acres approx.
2. 187 ft wide road
3. 100 ft wide road
4. Proposed Road 91 ft
5. 2 entry / exit points directly from the roads
6. 790 ft
7. 553 ft
8. 405.10 ft
9. Green Buffer



Bidding Process



Eligibility Criteria

The project will be developed in single stage bidding process, the advertisement calling Notice Inviting Proposal for “Five Star Hotel on Public Private Partnership (PPP) format” was published in National and Local Newspapers on October 30, 2010.

Experience/Financial Criteria:

Technical Criteria

International chain of Hotels having experience in running of at least two (2) hotels with rating of Five Star or above, which are operational outside India;

OR

National chain of Hotels having experience in running of at least 3 hotels with rating of Five Star or above, which are operational in within India;

OR

Experience in Development one (completed) Shopping Mall / Multiplex /Hotel having a built-up area of not less than 4 lakh sq ft. OR two such projects having built up area not less than 2.5 lakh sq ft. each.

However, such Bidder(s) will be required to have a tie-up later, with an International/National Five Star or above Hotel chain as per the criteria stated above, within six (6) months of signing of Agreement.



Eligibility Criteria

- **Financial Criteria**

Minimum Net worth of Rs 100 Crores as on March 31, 2010

- **High Net worth/Real Estate Infrastructure Fund/Core Infrastructure Criteria:**
- Prospective Bidder(s) having Net Worth of Rs. 1000 Crores and above as on March 31, 2010 will be exempted from the technical experience criteria mentioned above.

OR

- Real Estate Infrastructure Funds having Assets under Management (AUM) of Rs.2000 Crores and more as on March 31, 2010 are also exempted from the technical experience criteria mentioned above.

OR

- Core infrastructure companies with Networth of more than Rs 500 Crores as on March 31,2010 will be exempted from the technical experience criteria mentioned above
- “Core Sector” would be deemed to include road, power, telecom, ports, airports, railways, metro rail, industrial parks/ estates, logistic parks, dams & bridges
- However, such Bidder(s) applying through High net worth/Real Estate Fund/Core Infrastructure Companies will have to tie-up with International/National Chain of Five Star Hotels, within six (6) months of signing of agreement.



Proposal Requirements

- ❑ Each Bidder shall submit only one proposal.
- ❑ Maximum number of members/partners in consortium, partnership or joint venture allowed is limited to 3.
- ❑ Formation of Special Purpose Company necessary in case of Joint Venture, tie up, Consortium or Partnership firm.
- ❑ Lead Member liable for execution of the Project holding all members jointly and severally liable for all obligations to the Concessionaire under the Concession Agreement.
- ❑ The aggregate equity component of the Concessionaire (100 % and 51%) and Lead Member of the Consortium (51 % and 26%) in the issued and paid up equity share capital for the construction period and for the rest of the Term of the Agreement respectively.
- ❑ The Successful Bidder, if it is a Subsidiary of a Holding / Parent Company or part of an SPC, it shall be required to furnish a Letter of Guarantee from its Holding / Parent Company (including a Board Resolution of such Holding / Parent Company) pledging such Holding / Parent Company's irrevocable Financial strength and Technical support to its Subsidiary (in case of SPC - in proportion to its Subsidiary's holding in the SPC), at all times during the currency of the Concession Agreement, and even after its termination for any of the acts and liabilities of its Subsidiary prior to termination.



Proposal Requirements

Period of Proposal Validity:	180 days from Proposal Due Date
Amount of Proposal Security:	Amount of Proposal Security shall be Rs. 2.5 Crores (Rupees Two Crore and Fifty Lacs only) per proposal. The Proposal Security shall be in the form of Bank Guarantee in favour of "Punjab Infrastructure Development Board (PIDB)" payable at Chandigarh.
Amount of Project Development Fees:	Project Development Fees in the form of Demand Draft in favour of "Punjab Infrastructure Development Board (PIDB)" payable at Chandigarh. Amount of Project Development Fees is Rs. 2.5 Cr (Rupees Two Crore and Fifty Lacs only) To be paid within 21 days of issue of Notice of Award, a pre condition to execute Concession Agreement.
Proposal	Three Envelops Envelop A : Technical Proposal Envelop B: Financial Proposal Envelop C: Proposal Security
No of Copies of Proposal:	Original + 2 Copies
Concession Period:	50 years; inclusive of construction period of 30 Months.



Proposal Requirements – Technical Proposal

- ❑ Substantially Responsive Proposal
 - ✓ is received by the Proposal Due Date including any extension thereof
 - ✓ is signed sealed and marked as stipulated in the RFP document
 - ✓ is accompanied by the Power of Attorney in the format specified
 - ✓ is accompanied by Proposal Security
 - ✓ contains all the information as requested in the RFP
 - ✓ mentions the validity period



Proposal Requirements – Technical Proposal

Evaluation of Technical Proposal

- ✓ Covering Letter
- ✓ Letter of Undertaking
- ✓ Commitment to Pay Project Development Fees
- ✓ Consortium Agreement
- ✓ Power of Attorney by each Member of the Bidder, In the favor of the Lead Member
- ✓ Power of Attorney by Lead Member/Partner in favor of Designated Person (s)
- ✓ Anti Collusion Certificate
- ✓ Information about the Bidder



Proposal Requirements – Technical Proposal

- ✓ Experience in Development and Construction
- ✓ Experience in Operations and Maintenance
- ✓ Financial Capability Statement
- ✓ Financial Default Information by Bidder
- ✓ Current Litigation Status
- ✓ Format for Board Resolution for Companies
- ✓ Letter of Undertaking for Technical Proposal



Proposal Requirements – Financial Proposal

□ Bidding Parameter

The bidder quoting the **highest Annual Concession Fee** shall be the Selected Bidder.

- I. The selected bidder would pay an **Annual Concession Fee** or **percentage of the Annual Gross Revenue** from the Project Facility of a particular year, **whichever is higher**.
- II. The Annual Concession Fee shall be increased every year at the rate of **10% every three years**, over the previous such Annual Concession Fee.
- III. The first Annual Concession Fee shall be due prior to Signing Date. The Concessionaire shall deposit the Annual Concession Fee on the signing date every year. However, in case the amount equivalent to the %age of the Gross Revenue of Project Facility for particular financial year as per the Annual Report submitted by Statutory Auditor at the end of the Financial Year, during the Financial Year in which Annual Concession Fee is due, is higher than the amount of Annual Concession Fee payable in that particular financial year, the Concessionaire shall pay to Concessioning Authority the difference amount (equivalent to %age of the Gross Revenue from the Project Facility for particular financial year minus Annual Concession Fee already paid for a particular financial year).

Sr. No.	Period	%age of Gross Revenue
1.	For first 10 years of operations of Project Facility	6%
2.	For next 10 years	7%
3.	Rest of the Concession Period	8%



Scope of Work – Concessionaire

- ❑ The private sector participant will be expected to do:
 - ✓ Taking over of the Vacant Possession of the site to Plan, Design, Finance and establish the facility, including Construction, Marketing, provision of relevant assets, equipment, Clearances/approvals, ancillary services and amenities related Five Star Hotel Facility conforming to Building Bye-Laws and area for use and occupation by Concessioneing Authority.
 - ✓ Construction, operation and maintenance of Five Star Hotel Project as per the Conceptual design approved by the Design Approval Committee and in conformity to the Technical Specifications and Standards.
 - ✓ Site clearance and cordoning off the site providing and deputing of Security including dismantling of existing structures if any, cutting of trees, removal of debris etc.
 - ✓ Construction of Project Facility including all internal and external services; providing and installation of fire detection; fire alarm and fire fighting system and electrical system.



Scope of Work – Concessionaire

- ✓ Performance and fulfillment of all other obligations of the Concessionaire in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Concessionaire under this Agreement and to meet the requirements laid down by the Competent Authority.
- ✓ Incorporating Special Purpose Company (SPC) for implementation of the project, If the Preferred Bidder is an unincorporated Joint Venture or a Consortium or a partnership firm.
- ✓ Submission of Final MoA with the Joint Venture (JV) / Chain of Hotels for successful implementation and operation of the Project six months after signing of Agreement.
- ✓ The Concessionaire shall obtain for the Hotel / Project Facility accreditation as a five star hotel from the concerned accreditation agency within six (6) months from the date of issue of Construction Completion Certificate.
- ✓ To recover the investment through appropriate applicable revenue streams as per contractual arrangements/as per permitted revenues over the concession period.



Envisaged Project Components

The project envisage development of following components:

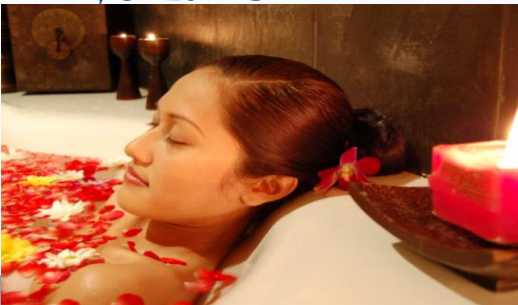
Mandatory Components :

i. Five Star Hotel:

200 keys hotel, Coffee Shop of 100 seating capacity, Specialty Restaurant of 100 seating capacity, Lounge / Bar of 100 seating capacity, Executive Health Club, Food & Beverages & Other ancillary facilities.

ii. International Convention & Exhibition Center:

Convention cum Exhibition halls with combined capacity to accommodate 4000 delegates with main Convention Hall designed with Modular retractable seating arrangement, for 1000 delegates. Provision of Car parking should be made as per Local Building Bye-Laws



Minimum Development Obligations:

i. Convention & Exhibition Centre:

- 4000 pax single multipurpose hall with removable partitions and retractable seating, if required including 1000 delegate Plenary Hall
- Hall of 250 pax capacity, 2 Halls of 100 pax capacity, 4 Halls of 40 pax capacity each with seating arrangement, provisions for Board Rooms and 2 Nos.(two) VVIP rooms.
- Other basic facilities such as Reception, Information counters, public facilities, eating stalls, as per the requirement & norms. Reception area with a minimum of 8 Terminals to be provided. Provision for additional Terminals if required-.
- Facility to interpret 6 languages and wireless IR receivers of minimum 1000 Nos.
- Convention & Exhibition Center shall be maintained by the Hotel Chain operating the Hotel.



Minimum Development Obligations:

Five Star Hotel

- Minimum number of rooms shall be 200.
- Coffee Shop of 100 seating capacity
- Specialty Restaurant of 100 seating capacity
- Lounge / Bar of 100 seating capacity
- Executive Health Club which includes Gymnasium, Swimming Pool, Spa & Health Club, Indoor & Outdoor recreation Facilities.
- Parking: Minimum of 800 ECS shall be provided by the concessionaire considering the applicable Punjab Government By laws.
- Support Facilities & infrastructure like internal road network, parking areas, security, air conditioning, water supply and rain - water harvesting, Power, sewage treatment, solid waste management, landscaping and other services required for the complex.



Optional Development Obligations:

1. International Convention and Exhibition center (ICE):

- a) Restaurants and cafeteria can be constructed as optional facility in ICE

1. Five Star Hotel:

Service apartments as optional facility can be constructed along with the Five Star Hotel. Service apartments shall be maintained by the Hotel Chain operating the Five Star Hotel

1. Commercial Area

- Maximum permitted built up Commercial Area/Space shall be 10% of the actual constructed area of Five Star Hotel. This area i.e. (10% commercial area) shall not count the area constructed for Convention, Exhibition, Parking and basement facility for the project.
- The allowed commercial area shall be maintained by the hotel chain operating the Five Star Hotel.



Optional Development Obligations:

- Commercial Area / Space would essentially mean Retail shopping, Branded showrooms, Anchor stores, and Entertainment complex/zone and office/business spaces within Commercial complex only.
- Specialty Restaurants, Lounge/Bar, Health club, SPA, Gym, Indoor and outdoor recreation facility shall not be counted in the permissible commercial space.
- The applicable Commercial Area/Spaces in the Five Star Hotels (showrooms/shops) shall be counted toward the approved commercial space for the project.
- Event specific Commercial Facilities (Temporary) such as Food stalls, Souvenir stalls etc shall not be the part of the Commercial Area/Space.
- Open Exhibition areas, Commercial Area /Space permitted under Five Star Hotel Category, Food & Beverage outlets such as Multi cuisine Restaurants & additional facilities shall be constructed, as per requirement, in synergy with the Minimum Development Obligations / Essential Facilities.



Development Control Norms:

- Development Controls -Standards & Specifications:

- **Building Regulations to be adhered to are given below:**

Five Star Hotel cum International Convention & Exhibition Centre will be built on a plot of 10 Acres. The Land use is Mixed (Hotel/Convention Centre) purpose (as per GMADA Bye-Laws)

- **FAR**

The FAR allowed is 2.50 (as per Zoning Plan of GMADA)

The maximum permissible Ground Coverage is 40% of the Plot Area.

- **Basement**

No restriction on the number of basement and height of basement.

Extended basement to be allowed after leaving the specified setbacks as per the Control Plan.

Basement shall not be considered while calculating FAR.

- **Setbacks**

As per Zoning Plan of sector 62.

- **Building Height**

The allowed height for the building shall be subjected to Airport Authority Clearance.

Concessionaire shall apply to the competent authority for the necessary approvals.

Type of Building Permitted



Key Features of RFP

S.No	Key Information	Details
1	Construction Performance Security	Rs. 12.5 Crores in form of Bank Guarantee from a Scheduled Bank in favour of Greater Mohali Area Development Authority to be submitted within 21 days of issue of Notice of Award.
2	Operations and Maintenance Performance Security	Rs. 5 Crores only (Rupees Five Crore only). Performance Security is to be submitted in the form of Bank Guarantee from a scheduled bank in favor of Greater Mohali Area Development Authority payable at Mohali. Performance Security shall be submitted prior to operationalisation of the Project. The performance security during the operation period shall be increase @ 25% every 5 years for the subsequent years
3	Concession Period	50 years including the construction period. To be calculated from the Compliance Date
4	Construction Period	The Minimum Development obligations to be completed within 30 months from the compliance date.
5	Proposal Due Date	14th December, 2010 till 1500 hours at the office of M/s. IL&FS IDC, Chandigarh.



Name and Address for Correspondence

S. No	Organization	Address
1	Punjab Infrastructure Development Board (PIDB)	Managing Director Punjab Infrastructure Development Board SCO 33-34-35, Sector 34 A Chandigarh - 160022 Tel. No.: 0172 2665410 Fax No.: 0172 2665596 E-mail: mdpibd@glide.net.in
2	IL&FS IDC Limited	Asst Vice President IL&FS Infrastructure Development Corporation Limited SCO 210-211, Sector -34-A, Chandigarh Tel. No.: 0172-4636389 Fax : 91-172-4621388 E-mail : iidc.chd@ilfsindia.com

Thank You

