

URBAN RECREATION CENTRE AT VELI, TRIVANDRUM

DETAILS OF ELIGIBILITY CRITERIA, QUALIFICATION AND BIDDING

TRKL, under Department of Tourism, Government of Kerala, proposes to implement an Urban Entertainment & Commercial Centre project in Tourism sector in Kerala on Public Private Partnership (PPP) Mode. The proposed site is adjacent to the Veli Tourist Village (8-10 Kms from the city of Trivandrum) and is in the close proximity to the Trivandrum Airport (3 Kms).

The area of land available is about 7.6 Hectares. Frontage to the Akkulam Lake and access to sea are added advantages.

1 Introduction

- 1.1 **Tourist Resorts (Kerala) Ltd. (TRKL)** is one of the professionally managed undertakings under Department of Tourism of the Government of Kerala (GoK). Incorporated in 1989 as a subsidiary company of Kerala Tourism Development Corporation, TRKL is engaged in implementing projects such as investment in joint venture companies, land bank projects etc.

TRKL on behalf of Government of Kerala is trying to attract investments in the state from private sector for the development of tourism infrastructure and products in the state. TRKL envisages to develop tourism products by utilizing strategic land parcels available in Kerala with a PPP approach. Major activities include development of tourism and infrastructure. TRKL is planning to implement tourism projects / products by utilizing strategic land parcels available with active participation of private sector under public private partnership (PPP) mode in an integrated manner.

The Authority intends to pre-qualify and short-list suitable Applicants (the "**Bidders**") who will be eligible for participation in the Bid Stage, for awarding the Project through an open competitive bidding process in accordance with the procedure set out herein.

- 1.2 The selected Bidder, who is either a company incorporated under the Companies Act, 1956 or undertakes to incorporate itself as such prior to execution of the concession agreement (the "**Concessionaire**"), shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of the concession agreement (the "**Concession Agreement**") to be entered into between the selected

Bidder and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.

- 1.3 The scope of work will broadly include Development of Tourism Projects/Products at Veli, some of proposed project components which have been identified is given in table below and the operation and maintenance thereof. The brief project details are tabulated as under:

SI No	Key Information	Details
1.	Project Title	Development of Tourism Project at Veli on PPP Mode, Thiruvananthapuram, (Kerala)
2.	Location	Veli, Thiruvananthapuram, (Kerala)

The Department of Tourism, GoK has identified about 19 acres of land at Veli, Trivandrum.

- 1.4 The primary and other optional project components are as under.

SI No	Proposed project Components	Brief Description
A.	Primary components	
1	Commercial Complex	10000 sqm
a	Shopping Mall,	Shops of globally recognized Retail outlets
b	Multiplex	Minimum two screens
c	Urban Entertainment facilities	Go Karting, Bowling Alleys, Night Cricket, Cultural performances centers, Children Play area etc
d	Food Court	Serving Multi cuisine Kerala food & globally recognized Food and Beverage Joints, coffee bars,
2	Amusement Park with rides	Roller coasters, carousels, Theme halls with animatronics related to children's themes, live actor shows, mime magic, juggling, martial arts
3	Parking facilities	Open Air & Multi level parking
4	Utilities & General Commerce	Tourist reception, public toilets
B.	Other optional project components	
1	Three Star resort/ Hotel	40 rooms
2	Spa and Lake facing deluxe cottages	20 cottages
3	Sound & Light show	Promoting Kerala Tourism, Laser Shows
4	Theme park on the cultural centers of Kerala	Theme zones of places indicating the cultures of Thiruvananthapuram, Kochi and Kozhikode

- 1.5 Indicative capital costs of the Project, currently estimated at Rs. 600 million may be subjected to revision at RFP stage and will be specified in the Bidding Documents of the Project, shall be the minimum investment commitment in the aforesaid project from the selected Bidder. The assessment of actual costs, however, will have to be made by the Bidders.

2 **Brief description of Bidding Process**

- 2.1 The Authority has adopted a two-stage (3 envelopes) process (collectively referred to as the "**Bidding Process**") for selection of the bidder for award of the Project. The first stage (the "**Qualification Stage**") of the process involves qualification (the "**Qualification**") of interested parties/ consortia who make an Application and qualifies the eligibility criteria in accordance with the provisions of this RFQ (the "**Applicants**") At the end of this stage, the Authority expects to announce a short-listed suitable pre-qualified Applicants, who shall be eligible for participation in the second stage of the Bidding Process (the "**Bid Stage**") comprising Request for Proposals (the "**Request for Proposals**" or "**RFP**").
- 2.2 In the Qualification Stage, Applicants would be required to furnish the information specified in the RFQ. Only those Applicants that are pre-qualified and short-listed by the Authority shall be invited to submit their Bids for the Project. In the Bid Stage, the Bidders will be called upon to submit their technical and financial offers (the "**Bids**") in respect of the Project, in accordance with the RFP and other documents to be provided by the Authority, pursuant to the RFP (Collectively the "**Bidding Documents**").
- 2.3 In terms of the RFP, a Bidder will be required to deposit, along with its Bid, a bid security equivalent to INR 30 Lakhs (Indian Rupees Thirty Lakhs) (the "**Bid Security**"), refundable not later than 60 days from the Bid Due Date except in the case of the highest Bidder. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee (as per format in RFP and from a nationalized bank only) acceptable to the Authority and in such event, the validity period of the demand draft or bank guarantee, as the case may be, shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.

3 Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

Event Description	Date
<u>Qualification Stage</u>	
1. Last date for receiving queries	December 4, 2009
2. Pre-Application Conference	December 7, 2009
3. Application Due Date	December 21, 2009

The Request for Qualification shall be purchased from the offices of Tourist Resorts (Kerala) Limited against payment of Rs. 5,000 (Indian Rupee Five thousand only) towards cost of the document by way of a crossed demand draft from any nationalized bank in India, drawn in favour of "**Tourist Resorts (Kerala) Limited**" payable at Trivandrum.

Only those firms, who have purchased the RFQ document as mentioned above, shall be entitled to submit their Application.

4 Eligibility of Applicants

- 4.1 (a) The Applicant for pre-qualification may be a single entity or a group of entities (the "**Consortium**"), coming together to implement the Project. However, applicant(s) applying individually or as a Lead member of a Consortium, as the case may be, cannot be member of another Applicant Consortium. The term Applicant used herein would apply to both a single entity and a Consortium. An entity would be construed as:
- (i) A Company which is registered in India under the provisions of the Companies Act, 1956, or [(ii) Any foreign company in joint venture/consortium with an Indian company, as per applicable FDI norms.]
- (b) An Applicant may be a natural person, private entity, government-owned entity or any combination of them with a formal intent to enter into an agreement or under an existing agreement in the form of a Consortium. A Consortium shall be eligible for consideration subject to the conditions set out in Clause below.
- (c) An Applicant shall not have a conflict of interest (the "**Conflict of Interest**") that affects the Bidding Process. Any Applicant found to have a Conflict of Interest shall be disqualified. An Applicant may be considered to have a Conflict of Interest that affects the Bidding Process, if:
- (i) such Applicant (or any constituent thereof) and any other Applicant (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this qualification shall not apply in cases where the direct or indirect shareholding in a Applicant or a constituent thereof in the other Applicant(s) (or any of its constituents) is equal or less than 26% of

its paid up and subscribed capital; or

- (ii) a lead member of such Applicant/Consortium is also a constituent of another Applicant/Consortium; or
 - (iii) such Applicant receives or has received any direct or indirect subsidy from any other Applicant, or has provided any such subsidy to any other Applicant; or
 - (iv) such Applicant has the same legal representative for purposes of this Application as any other Applicant; or
 - (v) such Applicant has a relationship with another Applicant, directly or through common third parties, that puts them in a position to have access to each others' information about, or to influence the Application of either or each of the other Applicant; or
 - (vi) such Applicant has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.
- (d) An Applicant shall be liable for disqualification if any legal, financial or technical adviser of the Authority in relation to the Project is engaged by the Applicant in any manner for matters related to or incidental to the Project.

4.2 To be eligible for pre-qualification and short-listing, an Applicant shall fulfill the following conditions of eligibility:

- (A) **Technical Capacity:** For demonstrating technical capacity and experience (the "**Technical Capacity**"), the Applicant shall, preceding the Application Due Date, have met any one of the following criteria:
- (i) Experience in establishing, operating/managing any facility in accommodation / tourism / hospitality sector in India or abroad in the past 10 (ten) years preceding the Application Due Date.
 - (ii) Experience of developing at least one Core Infrastructure Project in India or abroad having a project cost of at least INR 300 million (Indian Rupees Three Hundred million) or its equivalent in the last 5 (five) years preceding the Application Due Date.

In case of a Consortium, the Technical Capacity can be met by any member of the Consortium, provided that the said member shall remain part of the Consortium for at least a minimum period of 5 (five) years from the commencement of the commercial operations of the project and associated developments.

For the purpose of this project, "Core Infrastructure Project" would

mean real estate projects, commercial complexes, shopping malls, retail area, ports, industrial parks, technology parks, SEZs, highways, roads, bridges, power projects and any other infrastructure project.

- (B) **Financial Capacity:** The Applicant shall have a minimum Net Worth of INR 150 million (Indian Rupees One hundred fifty million) as at the close of the preceding financial year (the "**Financial Capacity**").
- (C) **High Net Worth Criteria:** Reputed companies or corporate houses actively in industry for past five years with a Net Worth of INR 1000 million (Indian Rupees One Thousand million) or more who are seeking to diversify their business shall be exempted from meeting the Technical Capacity criteria mentioned above.

In case of a Consortium, the financial capacity of those members, who have an equity share of at least 26% each in such Consortium, should satisfy the above conditions of eligibility. Such members of the consortium shall remain part of the Consortium for at least a minimum period of 5 (five) years from the date of commencement of the commercial operation of the project and associated developments.

- 4.3 The Applicants shall enclose with its application, to be submitted as per the format at Appendix-I, complete with its Annexure, the following:
 - (i) Certificate(s) from its statutory auditors or the concerned client(s) stating the payments received or works commissioned, as the case may be, during the past 10 (ten) / 5 (five) years as applicable, in respect of the projects specified in paragraph above. In case a particular job/ contract has been jointly executed by the Applicant (as part of a consortium), he should further support his claim for the share in work done for that particular job/ contract by producing a certificate from its statutory auditor or the client; and
 - (ii) certificate(s) from its statutory auditors specifying the net worth of the Applicant.

Net Worth shall mean the sum of subscribed and paid up equity and reserves from which shall be deducted the sum of revaluation reserves, miscellaneous expenditure not written off and accrued liabilities.

- 4.4 The Applicant should submit a Power of Attorney as per the format specified in the RFQ, duly notarized and on a stamp paper of an appropriate value, issued and signed by the Applicant in favour of a specified person to act as the official representative of the Bidder for the purpose of signing documents, making corrections/modifications and interacting with Tourist Resorts (Kerala) Limited, Government of Kerala Undertaking and acting as the contact person.

- 4.5 The Applicant shall form an appropriate SPV, incorporated under the Indian Companies Act 1956 to execute the Agreement to lease and implement the Project. The equity lock-in conditions of the Applicant with respect to SPV would be specified in the RFP Document. Where the Applicant is a Consortium, it should comply with the following additional requirements:
- (a) Number of members in a consortium should be limited to 4 (four)
 - (b) subject to the provisions of clause (a) above, the Application should contain the information required for each member of the Consortium;
 - (c) members of the Consortium shall nominate one member as the lead member (the "**Lead Member**"), who shall have an equity share of at least 26% in the Consortium. The nomination(s) shall be supported by a Power of Attorney, signed by all the other members of the Consortium;
 - (d) the Application should include a brief description of the roles and responsibilities of individual members, particularly with reference to financial, technical and O&M obligations;
 - (e) an individual Applicant cannot at the same time be member of a Consortium applying for pre-qualification. Further, a member of a particular Applicant Consortium cannot be member of any other Applicant Consortium applying for pre-qualification, save and except as provided in the RFQ document;
 - (f) the parties to a Consortium shall form an appropriate Special Purpose Vehicle (the "**SPV**"), incorporated under the Indian Companies Act, 1956, to submit Bids in due course and/ or execute the Project if awarded to the Consortium; and
 - (g) members of the Consortium shall enter into a binding Joint Bidding Agreement (the "**Jt. Bidding Agreement**") for the purpose of making the Application and submitting Bid in the event of being short-listed. The Jt. Bidding Agreement shall, inter alia:
 - (i) convey the intent to form an SPV with shareholding/ ownership equity commitment(s) in accordance with this RFQ, which would enter into the Concession Agreement and subsequently carry out all the responsibilities as Concessionaire in terms of the Concession Agreement, in case the concession to undertake the Project is awarded to the Consortium;
 - (ii) clearly outline the proposed roles and responsibilities of each member at each stage;

- (iii) commit the minimum equity stake to be held by each member; and
- (iv) include a statement to the effect that all members of the Consortium shall, till such time they incorporate an SPV and provide the specified performance security or bond, be liable jointly and severally for execution of the Project in accordance with the terms of the Concession Agreement.

(Note: A copy of the Jt. Bidding Agreement should be submitted along with the Application. The Jt. Bidding Agreement entered into between the members of the Consortium should be specific to the Project and should fulfill the above requirements, failing which the Application shall be considered non-responsive).

- 4.6 Any entity which has been barred by the Central/ State Government, or any entity controlled by them, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Application, would not be eligible to submit an Application, either individually or as member of a Consortium.
- 4.7 An Applicant/ Consortium member should, in the last three years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial Authority or a judicial pronouncement or arbitration award against the Applicant, nor been expelled from any project or contract nor have had any contract terminated for breach by such Applicant/ Consortium member.
- 4.8 While Qualification is open to persons from any country; the following provisions shall be applicable:
 - (a) Where, on the date of the Application, not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up equity share capital in an Applicant or any of the constituents of a Consortium is held by persons resident outside India or where an Applicant or any of the constituents of a Consortium is controlled by persons resident outside India; or
 - (b) if at any subsequent stage after the date of the Application, there is an acquisition of not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up equity share capital or control (by persons resident outside India) in or of the Applicant or any of the constituents of a Consortium;

then the Qualification of such Applicant or in the event described in sub clause (b) above, the continued Qualification of the Applicant shall be subject to approval of the Authority from national security and public interest perspective. The decision of the Authority in this behalf shall be final and conclusive and binding on the Applicant.

The holding or acquisition of equity or control, as above, shall include direct or indirect holding/ acquisition, including by transfer, of the direct or indirect legal or beneficial ownership or control, by persons acting for themselves or in concert and in determining such holding or acquisition, the Authority shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, or any substitute thereof, as in force on the date of such acquisition.

- 4.9 An Applicant is eligible to submit only one Application for the Project. An applicant applying individually or as a member of a Consortium shall not be entitled to submit another application either individually or as a member of any Consortium, as the case may be.
- 4.10 The Applicants shall be responsible for all of the costs associated with the preparation of their Applications and their participation in either the Qualification Stage or the Bid Stage. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.
- 4.11(a) Applicants are encouraged to submit their respective Applications after visiting the Project site and ascertaining for themselves the site conditions, traffic, location, surroundings, climate, availability of power, water and other utilities for construction, access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them.
- (b) For any assistance in respect to the site visit to the Applicants, Applicants can contact the following office at the addresses given below:

The Managing Director,
Tourist Resorts (Kerala) Limited,
T C 14/1364, Paris Road
Bakery Junction, Thiruvananthapuram - 695 033
Tel : 0471 2336233

OR

Asst. Vice President
IL&FS Infrastructure Development Corporation Limited
1st Floor, Aum Plaza,
#76, 3rd Cross, Residency Road, Bangalore -560025
Tel: 080 40343333, 09895272702

- 4.12 The Authority reserves the right to reject any Application and/ or Bid if:
- (a) at any time, a material misrepresentation is made or uncovered, or
 - (b) the Applicant does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Application.

Such misrepresentation/ improper response shall lead to the disqualification of the Applicant/Bidder. If the Applicant/Bidder is a Consortium, then the entire Consortium shall be disqualified/ rejected. If such disqualification/ rejection occurs after the Bids have been opened and the highest Bidder gets disqualified/ rejected, then the Authority reserves the right to:

- (i) invite the remaining Bidders to submit their Bids in accordance with the RFP; or
 - (ii) take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.
- 4.13 Applications should be submitted before 1600 hours IST on 21st December 2009, the Application Due Date, to the Managing Director, TRKL at the address provided in Clause 4.11. Applications received by the Authority after the specified time on the Application Due Date shall not be eligible for consideration and shall be summarily rejected.

5. Qualification and Bidding

5.1 Short-listing and notification

After the evaluation of Applications, the Authority would announce a list of short- listed pre-qualified Applicants (Bidders) who will be eligible for participation in the Bid Stage. The Authority will not entertain any query or clarification from Applicants who fail to qualify.

5.2 Submission of Bids

The Bidders will be requested to submit a Bid in the form and manner to be set out in the Bidding Documents. Only pre-qualified Applicants shall be invited by the Authority to submit their Bids for the Project. The Authority shall not entertain any correspondence with any Applicant in relation to the acceptance or rejection of any Application.

6. Criteria for Evaluation

- 6.1 Only those Applicants who meet the eligibility criteria specified above shall qualify for evaluation. Applications of firms/ consortia who do not meet these criteria shall be rejected.
- 6.2 The Applicant's competence and capability is proposed to be established by the following parameters:
 - (a) Technical Capacity; and
 - (b) Financial Capacity
- 6.3 The Applicant should furnish the details of Technical Capacity for the past 10 (ten) / 5 (five) years as applicable preceding the Application Due date. The Applicants must provide the necessary information relating to Technical Capacity as per format in the RFQ. The Applicant should furnish the required information and evidence in support its claim of Technical Capacity, as per format in the RFQ.
- 6.4 The Application must be accompanied by the Audited Annual Reports of the Applicant (of each member in case of a Consortium) for the last 2 (two) financial years, preceding the year in which the Application is made.
- 6.5 In case the annual accounts for the latest financial year are not audited and therefore the Applicant could not make it available, the Applicant shall give an undertaking to the same effect and the statutory auditor shall certify the same. In such a case, the Applicant shall provide the Audited Annual Reports for four years preceding the year for which the Audited Annual Report is not being provided.
- 6.6 The Applicant must establish a minimum Net Worth of INR 150 million (Indian Rupees One Hundred Fifty million), as specified above, and provide details as per format in the RFQ.
- 6.7 **Short-listing of Applicants.** Only those applicants who meet the eligibility criteria specified shall be shortlisted for the Bid Stage.

PURCHASE OF RFQ DOCUMENT

The interested bidders shall purchase the RFQ Document from the office of TRKL against payment of Rs. 5000/- (INR Five Thousand only) towards the cost of the document by way of crossed DD from any of the nationalized banks, payable at Thiruvananthapuram, drawn in favour of M/s Tourist Resorts (Kerala) Ltd., Thiruvananthapuram.