

RFP for Development of Bengaluru International Convention Centre (BICC) on PPP Basis

Pre-Bid Conference 3 – Response to Queries

Sl. No.	Clause No.	Query	(Draft) Response
REQUEST FOR PROPOSAL			
1.	Clause 6.1.4 (page 38)	<p><u>Project Terms and Role of Selected Bidder</u> The Core Minimum Development Obligation (“CMDO”) of construction of the following at the Project Site and commencement of operation of the same within 24 (twenty four) months from the date of signing the Concession Agreement.</p> <p>(i) We request to kindly revise the timeline for completion of CMDO as within 24 (twenty four) months from the date of Appointed Date.</p> <p>(ii) The linking of COD 1 with Appointed Date shall bring comfort to the Concessionaire as the construction shall only begin after Appointed date</p> <p>(iii) We are re-stressing that the time given to complete the Convention Centre facility is too short at 24 months. Request this to be extended to 36 months from date of approvals. (As a feedback based on internal discussions with our team, we would like to stress that, considering it would take 15 months for approvals and securing NOCs, we would require at least 24 months for construction time from the date of plan approval).</p> <p>(iv) We also request you to extend the time periods for achieving COD I and COD II as the viability of the project is dependent on parallel development of the trunk infrastructure and the proposed Business Park.</p> <p>(v) Modification requested: the Core Minimum Development Obligation ('CMDO')...within 36 (Thirty Six) months from the appointed date.</p>	<p>The period allowed for Core Minimum Development Obligation (“CMDO”) is 24 months from the Appointed Date specified in the Concession Agreement and not from the date of signing the Concession Agreement.</p> <p>The DCA provides 180 days for fulfillment of the Conditions Precedent including execution of Escrow Agreement, Substitution Agreement, Shareholder Agreement and Financing Agreement; submitting DPR; procuring all Applicable Permits, including approval from KSPCB and MoEF&CC.</p> <p>As per DCA, if the Concessionaire has completed all needful documents as necessary for applying for the Applicable Permits within 120 days from the date of DCA, the Authority may in its discretion and subject to certain terms and conditions, allow extension of time, for seeking the approvals from statutory / regulatory approvals, without levy of any Damages.</p> <p>Adequate time has been provided in the Agreement to fulfill the obligations.</p> <p>The RFP/DCA conditions stands unchanged</p>

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DRAFT CONCESSION AGREEMENT			
2.	Clause 4.3 and 4.5 (pages 24 and 25)	What are the liabilities of the Allottee in case of delay of approvals for construction?	Please refer to Clauses 4.3 and 4.5 of DCA
3.	Clause 5.1.8 (j) (page 21 of DCA)	Appoint only persons with adequate experience and reputation of developing/operating a successful convention centre in India or abroad or a 5 Star Hotel in India or abroad for a minimum period of 10 years, as the Managing Director/Chief Executive Officer of the Concessionaire Request- This condition to be deleted and it is at the discretion of the concessionaire to appoint suitable and eligible person.	The RFP/DCA conditions stands unchanged
4.	Clause 5.11 (page 28 of DCA)	We are currently developing a 3 star hotel close to BICC, the completion of which will be at least 3 years from now. We request you to consider this and exclude any clause that disqualifies us from bidding.	Please refer to Addendum-3 for the revised Clause
5.	Clause 5.12 (page 28 of DCA)	Prefix branding of the complex should be allowed	Please refer to Serial Number 22 of Pre-Bid Conference 2: Response to Queries
6.	Clause 5.31	Is the State / Central Government committing a minimum guaranteed business in a year?	No guaranteed business commitment from State / Central Government.
7.		Will the lease deed be having the mortgage rights given to the allottee in the Lease Deed? Is an NOC form KSIIDC required for mortgage?	Please refer to Clauses 45.1 and 45.2 of DCA
8.	Clause 17.15	In house advertising should be allowed	Please refer to Serial Number 70 of Pre-Bid Conference 1: Response to Queries
9.	Clause 52.1	Can the Deposit / Advances be excluded from revenue amounts	The RFP/DCA conditions stand unchanged

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10.	Annex I Schedule B (page 212)	As per technical specifications, it is mandatory for the Convention Centre to be acoustically designed for hosting musical concerts. Whereas, as per our Architects, since the main hall will have partitions, for each shape / dimensions (L x B) of the combinations, the acoustic design will change. Also, the costs for this are sizable. Whereas, nowadays, basic acoustics are provided and based on the event type, temporary acoustics, sound and lighting equipment are hired. Hence, it is requested to delete this mandatory condition.	The RFP/DCA conditions stand unchanged
GENERAL			
11.	N.A.	(i) We will need a Topographical sketch and Land survey sketch of the concerned site in Autocadd format. This will help us process further and create our designs (ii) Please provide the site contouring map for the 35 acres and the remaining 407 acres	The Topographical sketch, Land survey sketch and Contour map of the concerned site in Autocadd format are available for downloading from the e-procurement portal as well as www.ksiidc.com
12.	N.A.	Can the sharing between KSIIDC and Allottee be on a Profit Sharing as opposed to revenue sharing?	The RFP/DCA conditions stand unchanged
13.	N.A.	Can the Allottee have a right to first refusal (ROFR) on the land post the 60 year lease term?	The RFP/DCA conditions stand unchanged
14.	N.A.	(i) Will the State Government give any benefits such a SGST, stamp duty exemption, building plan fee exemption etc... (ii) There is always an ambiguity in computing the Stamp Duty, Registration, etc for Agreements for period longer than 30 years. Hence the amount cannot be estimated by us correctly for bidding. Also to avoid the other	The RFP/DCA conditions stand unchanged.

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		<p>difficulties faced in registering the Concession Agreement, it is requested to consider exemption in Stamp Duty, Registration, etc. for this Project. The savings in the cost will be factored by us in our Bid for Premium / Grant effectively anyways.</p> <p>(iii) Since this is a PPP Project, we request for exemption in Property tax. In fact this exemption should be granted to KSIIDC for the whole business park, considering this is a Government Project similar to any other KIADB industrial park, etc. where we understand Property Tax is not charged.</p> <p>(iv) We also request you to look into the possibility of giving Holiday period of say first 10 years, from paying the Revenue Share percentage to the Government, after the COD1/COD2</p>	
15.	N.A.	Please share the proposed metro plan till the airport and till the convention centre	The proposed metro project upto the airport, is under finalization
16.	N.A.	Any analysis / research done for the flight noise?	As per the Rapid Environment Impact Assessment Report, the noise levels were measured in the project area in different locations. As per the study, the maximum noise value recorded is 82.9 dBA at the Security Check Gate near Airport boundary (during day time) and 81.4 dBA at the middle point of the site near airport boundary (during day time).

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17.	N.A.	Estimated time lines for the Development of the 407 Acres Land as "Bengaluru Signature Business Park"	<p>The appointment of Consultant for Detailed Design for Trunk Infrastructure & Project Management Consultancy (PMC) including supervision and project implementation monitoring, is in progress.</p> <p>The development of the 407 acres will be in a phased manner, where the implementation of trunk infrastructure for Phase-I will commence in parallel to the implementation of the BICC.</p>
18.	N.A.	We are hopeful that the Committee of Bureaucrats would continue to exist even during the implementation of the Project, where delay in approvals, etc could be taken up.	KSIIDC will co-ordinate for the various approvals from Government of Karnataka side.
19.	N.A.	How are the collections without tax (GST) to be accounted	Please refer to definition of "Project Revenue" in Clauses 52.1 of DCA
20.	N.A.	Can the 300 bed budget hotel be made part of project rather than optional	The RFP/DCA conditions stand unchanged

Note: This Response to queries of Pre-bid Conference-3 shall supersede the response to queries of Pre-bid Conference-1 and Pre-bid Conference-2, if any, for a RFP / DCA query

ADDENDUM-3 to RFP / Draft Concession Agreement**Note: Addendum-3 shall supersede Addendum-1 and Addendum-2, if any, for a RFP/DCA Clause**

Sl. No.	Clause No.	Original Clause	Revised Clause as per Addendum-3																																								
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1	Clause 1.3	<p>Schedule of Bidding Process The Authority shall endeavour to adhere to the following schedule:</p> <table border="1"> <thead> <tr> <th style="text-align: center;">Event Description</th> <th style="text-align: center;">Date</th> </tr> </thead> <tbody> <tr> <td>Availability of Bid Documents on e-procurement Portal</td> <td>From 5th February, 2018</td> </tr> <tr> <td>Last date for receiving queries</td> <td>2nd March, 2018</td> </tr> <tr> <td>Pre-Bid Conference 1</td> <td>5th March, 2018, 1500 Hrs IST</td> </tr> <tr> <td>Authority response to queries latest by</td> <td>23rd March, 2018</td> </tr> <tr> <td>Last date for receiving additional queries</td> <td>4th April, 2018</td> </tr> <tr> <td>Pre-Bid Conference 2</td> <td>6th April, 2018</td> </tr> <tr> <td>Authority response to queries latest by</td> <td>20th April, 2018</td> </tr> <tr> <td>Last date for receiving additional queries</td> <td>5th May, 2018</td> </tr> <tr> <td>Pre-Bid Conference 3</td> <td>7th May, 2018 1500 Hrs IST</td> </tr> </tbody> </table>	Event Description	Date	Availability of Bid Documents on e-procurement Portal	From 5th February, 2018	Last date for receiving queries	2nd March, 2018	Pre-Bid Conference 1	5th March, 2018, 1500 Hrs IST	Authority response to queries latest by	23 rd March, 2018	Last date for receiving additional queries	4th April, 2018	Pre-Bid Conference 2	6th April, 2018	Authority response to queries latest by	20th April, 2018	Last date for receiving additional queries	5th May, 2018	Pre-Bid Conference 3	7th May, 2018 1500 Hrs IST	<p>Schedule of Bidding Process The Authority shall endeavour to adhere to the following schedule:</p> <table border="1"> <thead> <tr> <th style="text-align: center;">Event Description</th> <th style="text-align: center;">Date</th> </tr> </thead> <tbody> <tr> <td>Availability of Bid Documents on e-procurement Portal</td> <td>From 5th February, 2018</td> </tr> <tr> <td>Last date for receiving queries</td> <td>2nd March, 2018</td> </tr> <tr> <td>Pre-Bid Conference 1</td> <td>5th March, 2018, 1500 Hrs IST</td> </tr> <tr> <td>Authority response to queries latest by</td> <td>23rd March, 2018</td> </tr> <tr> <td>Last date for receiving additional queries</td> <td>4th April, 2018</td> </tr> <tr> <td>Pre-Bid Conference 2</td> <td>6th April, 2018</td> </tr> <tr> <td>Authority response to queries latest by</td> <td>20th April, 2018</td> </tr> <tr> <td>Last date for receiving additional queries</td> <td>5th May, 2018</td> </tr> <tr> <td>Pre-Bid Conference 3</td> <td>7th May 2018 1500 Hrs IST</td> </tr> </tbody> </table>	Event Description	Date	Availability of Bid Documents on e-procurement Portal	From 5th February, 2018	Last date for receiving queries	2nd March, 2018	Pre-Bid Conference 1	5th March, 2018, 1500 Hrs IST	Authority response to queries latest by	23 rd March, 2018	Last date for receiving additional queries	4th April, 2018	Pre-Bid Conference 2	6th April, 2018	Authority response to queries latest by	20th April, 2018	Last date for receiving additional queries	5th May, 2018	Pre-Bid Conference 3	7th May 2018 1500 Hrs IST
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Pre-Bid Conference 3 – ADDENDUM-3

Sl. No.	Clause No.	Original Clause		Revised Clause as per Addendum-3	
		Authority response to queries latest by	<u>16th May, 2018</u>	Authority response to queries latest by	<u>29th June, 2018</u>
		Bid Due Date	<u>29th June, 2018</u>	Bid Due Date	<u>20th July, 2018</u>
2	Clause 6.2.2	<p>Submission of Bank Guarantees</p> <p>Towards the Performance Security, the Selected Bidder shall be required to make the following payments / submissions to the Authority within 30 (thirty) days from the date of the LoA by the Authority:</p> <ul style="list-style-type: none"> i. the first instalment of the ‘Premium’ (if quoted) to the Authority in the form of a Demand Draft payable at Bengaluru / NEFT / RTGS; ii. submission of Bank Guarantee towards the Balance Premium; iii. submission of Bank Guarantee towards the Performance Security <p>In the event the Selected Bidder fails to pay the first instalment of ‘Premium’ (if applicable) amount / and / or submit the Bank Guarantee for the balance Premium and Performance Security within the stipulated period as per the terms of the draft Concession Agreement, the Authority would have the right:</p> <ul style="list-style-type: none"> i. To forfeit the Bid Security of the Selected Bidder; and ii. To award the Project to the next highest Bidder (“H2”) 		<p>Submission of Bank Guarantees</p> <p>Towards the Performance Security, the Selected Bidder shall be required to make the following submissions to the Authority within 30 (thirty) days from the date of the LoA by the Authority:</p> <ul style="list-style-type: none"> i. submission of Bank Guarantee towards the Balance Premium; ii. submission of Bank Guarantee towards the Performance Security <p>The Selected Bidder shall be required to pay to the Authority within 60 (sixty) days from the date of the LoA by the Authority, the first instalment of the ‘Premium’ (if quoted) in the form of a Demand Draft payable at Bengaluru / NEFT / RTGS.</p> <p>In the event the Selected Bidder fails to pay the first instalment of ‘Premium’ (if applicable) amount / and / or submit the Bank Guarantee for the balance Premium and Performance Security within the stipulated period as per the terms of the draft Concession Agreement, the Authority would</p>	

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Sl. No.	Clause No.	Original Clause	Revised Clause as per Addendum-3
		subject to fulfillment of the terms and conditions of the RFP by such Bidder	have the right: <ul style="list-style-type: none"> i. To forfeit the Bid Security of the Selected Bidder; and ii. To award the Project to the next highest Bidder (“H2”) subject to fulfillment of the terms and conditions of the RFP by such Bidder
DRAFT CONCESSION AGREEMENT			
1	Clause 4.1.3	The Conditions Precedent required to be satisfied by the Concessionaire within a period of 180 (one hundred eighty) days from the date of this Agreement shall be deemed to have been fulfilled when the Concessionaire shall have: <ul style="list-style-type: none"> i. executed and procured execution of the Escrow Agreement ii. executed and procured execution of the Substitution Agreement iii. executed and procured execution of the Shareholders’ Agreement iv. prepared and submitted the Detailed Project Report to the Authority; v. procured all the Applicable Permits specified in Part-I of Schedule-E unconditionally, or if subject to conditions, then all such conditions required to be fulfilled by the date specified therein shall have been satisfied in full, and such Applicable Permits are in full force and effect; 	The Conditions Precedent required to be satisfied by the Concessionaire within a period of 180 (one hundred eighty) days from the date of this Agreement shall be deemed to have been fulfilled when the Concessionaire shall have: <ul style="list-style-type: none"> i. executed and procured execution of the Escrow Agreement ii. executed and procured execution of the Substitution Agreement iii. executed and procured execution of the Shareholders’ Agreement iv. prepared and submitted the Detailed Project Report to the Authority; v. procured all the Applicable Permits specified in Part-I of Schedule-E unconditionally, or if subject to conditions, then all such conditions required to be fulfilled by the date specified therein shall have been satisfied in full, and such Applicable Permits are in full force and effect;

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Sl. No.	Clause No.	Original Clause	Revised Clause as per Addendum-3
		<p>vi. executed the Financing Agreement and delivered to the Authority 3 (three) true copies thereof, duly attested by a Director of the Concessionaire;</p> <p>vii. delivered to the Authority {from the Consortium Members, their respective} confirmation, in original, of the correctness of the representations and warranties set forth in Sub clauses (k), (l) and (m) of Clause 7.1 of this Agreement; and</p> <p>viii. delivered to the Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability of the provisions thereof;</p> <p>ix. prepared, finalised and procured approval of the Independent Engineer on the Detailed Project Report in accordance with the provisions of this Agreement;</p> <p>Provided that upon request in writing by the Concessionaire, the Authority may, in its discretion and without prejudice to anything stated hereunder, waive and/or extend the fulfillment of any of the Conditions Precedent set forth in this Clause 4.1.3. For the avoidance of doubt, the Authority, may, in its sole discretion, grant any waiver hereunder with such conditions as it may deem fit based on the recommendations of the Independent Engineer</p>	<p>vi. executed the Financing Agreement and delivered to the Authority 3 (three) true copies thereof, duly attested by a Director of the Concessionaire;</p> <p>vii. delivered to the Authority {from the Consortium Members, their respective} confirmation, in original, of the correctness of the representations and warranties set forth in Sub clauses (k), (l) and (m) of Clause 7.1 of this Agreement;</p> <p>viii. delivered to the Authority a legal opinion from the legal counsel of the Concessionaire with respect to the authority of the Concessionaire to enter into this Agreement and the enforceability of the provisions thereof;</p> <p>ix. prepared, finalised and procured approval of the Independent Engineer on the Detailed Project Report in accordance with the provisions of this Agreement; and</p> <p>x. entered into an agreement for a minimum period until the 5th (fifth) anniversary of the date of commercial operations (COD1 and / or COD2 whichever is later) of the project, with an entity having the experience of O&M of at least one 5 Star Hotel or equivalent for a minimum continuous period of 10 years, for discharging its O&M obligations in accordance with the provisions of this Agreement, in the event the Concessionaire not having the requisite operations & maintenance / management (“O&M”) experience.</p>

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			<p>Provided that upon request in writing by the Concessionaire, the Authority may, in its discretion and without prejudice to anything stated hereunder, waive and/or extend the fulfillment of any of the Conditions Precedent set forth in this Clause 4.1.3. For the avoidance of doubt, the Authority, may, in its sole discretion, grant any waiver hereunder with such conditions as it may deem fit based on the recommendations of the Independent Engineer</p>
2	Clause 5.11	<p>Obligations relating to Competition</p> <p>The Concessionaire shall not, either directly or through its Associates, or in any other manner acquire control or interest in the operations or services of any other Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 15 (fifteen) Kilometers from the Project such that its share exceeds 25% (twenty five percent) of such control or interest in the operations or services of that Convention Centre, Exhibition Hall or similar category Hotel. The Concessionaire shall also ensure and procure that no person who controls or operates any other Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 15 (fifteen) Kilometers from the Project shall acquire control or interest in the operations or services of the Project / Project Facilities such that the share of such person exceeds 25% (twenty five percent) of such control or interest in the operations or services of the Project.</p> <p>For the avoidance of doubt, "Convention Centre" shall mean an Air Conditioned Convention Centre of 2000 pax. Capacity or more and "Exhibition Hall" shall mean a venue with minimum 2500 sq. ft. area, where exhibitions / events are held.</p>	<p>Obligations relating to Competition</p> <p>The Concessionaire shall not, either directly or through its Associates, or in any other manner acquire control or interest in the operations or services of any other Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 5 (five) Kilometers from the Project such that its share exceeds 25% (twenty five percent) of such control or interest in the operations or services of that Convention Centre, Exhibition Hall or similar category Hotel. The Concessionaire shall also ensure and procure that no person who controls or operates any other Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 5 (five) Kilometers from the Project shall acquire control or interest in the operations or services of the Project / Project Facilities such that the share of such person exceeds 25% (twenty five percent) of such control or interest in the operations or services of the Project.</p> <p>For the avoidance of doubt, "Convention Centre" shall mean an Air Conditioned Convention Centre of 2000 pax. Capacity or more and "Exhibition Hall" shall mean a venue with minimum 2500 sq. ft. area, where exhibitions / events are</p>

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Pre-Bid Conference 3 – ADDENDUM-3

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		<p>Provided that this clause 5.11 shall not apply if such share is the direct consequence of the decisions or directions of the Authority.</p> <p>For the avoidance of doubt, it is agreed that this clause shall apply from the date of this Agreement and shall be valid until the subsistence of the Concession Period and shall not apply to such prior actions of the Selected Bidder / Consortium Members, subject to such Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 15 (fifteen) Kilometers from the Project having commenced operations prior to the date of this Agreement. However, in such cases, the Concessionaire shall endeavour to protect the commercial interest of the Project at all times and under no circumstances divert Users / guests to such competing facility under its control.</p> <p>It is further agreed that this clause shall not be applicable to a cross holding by a Bank, Insurance company, pension fund or a public financial institution.</p>	<p>held.</p> <p>Provided that this clause 5.11 shall not apply if such share is the direct consequence of the decisions or directions of the Authority.</p> <p>For the avoidance of doubt, it is agreed that this clause shall apply from the date of this Agreement and shall be valid until the subsistence of the Concession Period and shall not apply to such prior actions of the Selected Bidder / Consortium Members, subject to such Convention Centre, Exhibition Hall or similar category Hotel situated within a radius of 5 (five) Kilometers from the Project having commenced operations prior to the date of this Agreement. However, in such cases, the Concessionaire shall endeavour to protect the commercial interest of the Project at all times and under no circumstances divert Users / guests to such competing facility under its control.</p> <p>It is further agreed that this clause shall not be applicable to a cross holding by a Bank, Insurance company, pension fund or a public financial institution.</p>